

ABSTRACT

Title of Document: DYNAMICS OF THE NONPROFIT SECTOR
AND URBAN DELIVERY OF SERVICES: A
GEOGRAPHY OF SERVICES IN EAST
BALTIMORE, MARYLAND

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This research examines the relationship between nonprofit human service activities and the characteristics of client service areas by race, gender, income, age, level of poverty and education. The data used for this neighborhood level study were obtained from the Internal Revenue Service the 2002 Statistics of Income (SOI) Business Masterfile (BMF). Neighborhood data, obtained from the 2000 U.S. Census are used as surrogates for potential client areas and service needs. The response of nonprofit entities is determined by examining the quantity and distribution of human services available within the neighborhood to identify disparities in services distribution. Services are analyzed within the social and economic context of the abject poverty and homelessness that pervades East Baltimore neighborhoods that can produce underserved areas.

Services are not equally distributed across the study area. The primary results of the research show that services for the homeless, services for youth, and housing services are the most prominent service activities in East Baltimore. Services are generally matched to the population according to population needs. However, there appears to be a *spatial mismatch* between residents' needs and services provided for substance abuse an

ex-offender services. Substance abuse rehabilitation services and ex-offender rehabilitation services are least prominent of all the nonprofit service activities. The initial analysis reveals that some neighborhoods are *service rich* areas while others are *service poor*. Despite a *spatial mismatch* in some service activities, the distribution of services is consistent with the view that nonprofit services are located in or near concentrations of potential clients and at-risk populations. A second analysis using factor analytical techniques reveals a number of complex and intriguing relationships between neighborhood characteristics and service activities. The findings underscore the importance of the relationship between service activities and community characteristics and that some variables, race, income, gender and education level have a positive influence on human services delivery. The research findings support the argument that service distribution of nonprofits is influenced by socioeconomic characteristics, and the scope of poverty in a community.

DYNAMICS OF THE NONPROFIT SECTOR AND URBAN DELIVERY OF
SERVICES: A GEOGRAPHY OF SERVICES IN EAST BALTIMORE, MARYLAND

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CHAPTER 1

THE NONPROFIT LANDSCAPE: THE PROBLEM AND ITS SETTING

Nonprofit organizations have long been key actors in city environments—as service providers, advocates, and monitors of government policy. Their impact as services providers has grown substantially as the devolution of government responsibility has stimulated the nation’s nonprofit organizations to play an even larger role in the delivery of services, particularly human services. While nonprofits influence our everyday lives more than ever before, it has become more and more evident that research has not documented the impact of nonprofit institutions on urban communities. More recently, researchers have undertaken a wide range of projects to better understand the role and impact of these organizations. Many of the projects are seeking to respond to the following: nonprofit sector versus government and business in performing public works, nonprofit advocacy for the public good and nonprofit monitoring of public and private activities for the public benefit. These and many other issues have become the thrust of other public policy projects.

The research herein, while clearly in the genre of public policy, seeks to focus on the geographical aspect of nonprofit organizations and their ability to service population. In cities throughout the country, the responsibility for social problems such as homelessness, domestic violence, and substance abuse have been given over, at least partially, to nonprofit organizations. What are nonprofits to do? Can the various types of nonprofit organizations deal adequately or efficiently with such stubborn problems? At

first glance, it would seem that city governments are abandoning such problems to nonprofit entities—organizations that have little or no direct accountability to citizens. For example, the Maryland Alcohol and Drug Abuse Administration estimates that 60,000 Baltimore residents, nearly ten percent of the total city residents, are drug dependent (Soros Foundation, 2001). In addition, Baltimore’s current drug treatment capacity serves only one in three drug addicted residents (Drug Strategies, 2001). Clearly, there is a serious gap between need and treatment capacity. When one views the treatment modalities, it is readily noted that an overwhelming proportion of treatment centers are operated by nonprofit organizations.

In many cities, state departments of human resources are responsible for the administration of all major state and city sponsored social service programs. Over the years, there have been significant shifts of human services from local, state, and federal government bodies to nonprofit organizations, and it is this divestiture process that has spurred the creation and growth of many nonprofits to deliver services. In Maryland, for example, the Maryland State Department of Human Resources (DHR) is responsible for the administration of all major social service programs. Services are provided to families and individuals in need, including temporary economic assistance as well as long-term drug treatment. According to the Maryland Department of Human Resources (2002), Baltimore City’s human services are administered through a local Department of Social Services, but many of the actual services are delivered by more than 200 private, nonprofit, community-based organizations.

Are nonprofits meeting the most pressing needs of citizens? This question has thrown the public policy research community into a great debate. Sadly, there are no

answers yet. Ten years ago, the Urban Institute issued the first volume of State Nonprofit Almanac: Profiles of Charitable Organizations (Urban Institute, 2002; 1997) and created a new Center of Nonprofits and Philanthropy. At the outset, the center recognized the absence of a comprehensive database and that much will be required to update and expand statistical information. What is perhaps most important here is the recognition that policy makers need a fuller understanding of this sector and the trends affecting it. The Urban Institute notes that the activities of these organizations are the backbone of civic culture in the United States. Charitable associations are called a wide range of terms—voluntary, nonprofit, nongovernmental, social, civic, tax-exempt, independent sector, third sector, or philanthropic organizations. Furthermore, the employees of nonprofit organizations perform a wide range of human services—recreational opportunities, food and shelter, arts and cultural activities, health care, and many other community services.

The fact that nonprofits are increasing in number each year, and that many are given more and more responsibility to solve many community problems, should cause public concern. It is often said that all residents, regardless of income or class, will need services sometime in their lives. But will they be available when we need them? It is further emphasized that economically disadvantaged communities have always had the greatest need (Brown and McKeown, 1997). But are the services delivered by nonprofit organizations unlike those previously provided by traditional governmental agencies? And are these economically disadvantaged communities with great need being served at all? Such questions fuel the debate, reinforcing the need to be informed by empirical research on nonprofit national, state, local, and community environments.

Some of the most recent findings about nonprofits have done little more than provide trends. Selected findings from the Urban Institute (2002; 1997) conclude the following:

- The size of the nonprofit sector is large, but information is available on only a small portion of organizations.
- The number of public charities tends to increase with the size of the population.
- The density of charitable organizations (the number per 10,000 residents) tends to be higher in states with small populations.
- The early 1990s saw an increase in the number of reporting public charities.
- Human service is the most common type of public charity, but there is great diversity in what public charities do.
- Growth of public charities varies by type of activity.
- While small organizations are the most common type of public charities, large organizations account for the bulk of the finances.
- The finances of public charities are more heavily concentrated in the Northeast and in larger states.
- Finances are not evenly spread across the range of organizations in the sector.

Although the above findings are really no more than trends, they direct new lines of inquiry in this area of research. We do know the following:

- One in three public charities is a human service organization--a category that includes such diverse activities as Boys and Girls Clubs, foster grandparent programs, senior citizen centers, employment and training programs, food banks, homeless shelters, and adolescent pregnancy programs.
- Human service organizations, the most common type of public charity, have more than doubled in number during the 1987-1995 period.
- Nationally, nearly one in three public support dollars went to organizations classified as human services.

In order to avoid contributing to the volume of trends, our efforts will be more narrowly prescribed to study nonprofits in the State of Maryland, and more specifically in East Baltimore City. However, before identifying the specific research problem and research questions, there is the need to discuss the background data on nonprofits in Maryland. There were nearly 14,000 nonprofit organizations classified as charitable organizations in Maryland as of 1997 (Salamon, 1997). Maryland ranks sixteenth among states in the number of such organizations, eighteenth in public support, and thirteenth in total expenses. Though just slightly above average among states in these categories, Maryland ranks ninth in total assets of public charity organizations. Accounting for sixty to seventy percent of all nonprofit employment, nearly half of Maryland's nonprofits are housed in Baltimore.

STATEMENT OF PROBLEM

The underlying thesis of this research is that services delivery is influenced by complex relationships—the spatial distribution of the service/target populations and the spatial distribution of service providers. The scope and range of nonprofit human

services have changed considerably as a result of the shift from governmental services to the privatization and contracting-out for services, which is predominated by the nonprofit sector. Nonprofit human services are no longer seen as needed only by individuals plagued by social problems or those of lower socio-economic status. Without a doubt, as a population matures there is more segregation in terms of race and class. Poor people are likely to be concentrated within specific areas. It is also likely that service needs are concentrated within specific areas. In areas where poor people have the greatest need, it is hypothesized that nonprofit entities should be concentrated in areas characterized by that need.

RESEARCH QUESTIONS

The primary research question posed in this proposal is: *What is the relationship between nonprofit human service activities and the characteristics of client service areas?* This question is central to understanding the efficacy of government's continued privatization of human services. In urban communities and neighborhoods across the country, the social geography of most human characteristics represents a level of need for services. Urban America transformed from a manufacturing economy to one that is heavily concentrated with service and technology industries; cities have experienced the mass out-migration of city residents, primarily white and relatively higher-income residents, to more distant suburban nodes far beyond city boundaries.

Nonetheless, in some communities, human service needs may include a wide range of needs from out-of-wedlock births to juvenile crime; in others, the priorities may be unemployment and drug addiction treatment. Large central cities and their respective adjacent counties have become more concentrated with minority populations—who have

frequently become majority populations. In communities characterized by different need levels, one ponders the potential failure of nonprofits to reach clients. One would assume that nonprofit agencies would redefine and/or shift their services according to the demands of the social geography of need.

Poor people are concentrated in specific areas. It is likely that need is also concentrated in specific areas. If poor people have the greatest need, it could be hypothesized that nonprofit entities should be concentrated in the same location. The content of the major research question raises other relevant questions about nonprofit services in poor communities. What type/classes of services are delivered by nonprofit organizations? Who are the clients? Are populations targeted for services? To what extent do demographics within a service area influence services offered?

With these questions in mind, this research seeks to study and provide insight into the service activities of nonprofit entities in East Baltimore at the neighborhood level for two reasons. First, social problems tend to occur at the neighborhood level in geographic “hot spots” (Sampson, Morenoff, and Gannon-Rowley, 2002, p. 32). These problems include crime, adolescent delinquency, social and physical disorder, school dropout, etc. Geographic “hot spots” tend to be characterized by multiple forms of disadvantage. Second, Neighborhood predictors common to many social problems tend to be related and included the concentration of poverty, racial isolation, single-parent families, low rate of home ownership etc (Sampson et al., 2002, p. 32). We are interested in focusing on the neighborhood level to better understand how social, economic, and demographic variables influence social human services delivery.

Specifically, this study seeks to differentiate and analyze the relationships between the numbers of social services provided to communities in the area to communities according to race, gender, income, age, education, and poverty status.

Although this research seeks to address some of the same issues that other researchers have studied (Takahashi and Smutny, 2001; Corbin, 1999; Diagne, 1995; Bielefeld et al., 1997; McPherson and Rotolo, 1996; Salamon, 1992; Wolch and Geiger, 1983 and Jones et al., 1980), their research, in general, has a broad spatial focus—states, regions, or cities—and focuses on service users rather than service providers. Therefore, much of it is too extensive and less detailed than a case study. The broader framework is directed toward understanding the influence of the neighborhood demographic characteristics on nonprofit service providers. The urban framework presents a detailed analysis of nonprofit social service delivery at the neighborhood level.

There is an abundance of research on service delivery. However, the topic of service delivery is handled in a variety of ways. Many of the studies conducted at the broad level collect and handle data differently (Urban Institute, 2002; 1997; Salamon, 1997; Wolpert, 1993b; Wolch and Geiger, 1983b). Service delivery within the context of geography lends itself to many scales of data that are often incompatible. For example, some research utilizes national or regional data using aggregate data from large datasets (Urban Institute, 2002; 1997). On the other hand, research with highly detailed information is limited. With an ever increasing number of nonprofits engaging in human services delivery, studies on nonprofit entities are gaining importance. As such, research on nonprofits is moving in toward analyzing local data in order to influence policy research. This research will offer insight into the understanding of nonprofit services and

contributions at the neighborhood level, and extent to which nonprofit service agencies target areas for services. This research will also provide knowledge of what constitutes nonprofit service areas and how services provided are influenced by the demographic and geographic characteristics of an area.

HYPOTHESES

The primary research question posits the following hypotheses for testing. Each hypothesis is structured to determine the relationship between nonprofit social services activities and socio-economic and demographic characteristics of the study area. It is expected that the results will help direct policy to ensure that socio-demographic characteristics in target communities are taken into consideration as nonprofit organizations determine services to be delivered.

H1: It is hypothesized that there is a statistical correlation between service activities by type and socio-economic indicators in the population. Many statistical methods could be used to test the hypothesis. However, this study makes use of the factor analytical approach. The use of factor analysis will be discussed in detail in chapter three.

H2: It is hypothesized that the spatial distribution of service activities is directly influenced by the following selected socio-economic indicators:

- a. Race: The higher the percentage of African-Americans in the area, the higher the number of services. Throughout this study, race is discussed in terms of African-American and White because 99 percent of the

population is comprised of African-American and White residents. Other minority groups are less than one percent of the entire population.

- b. Gender: Neighborhoods having a preponderance of women will positively influence the number of services. Neighborhoods comprised of a disproportionate number of women will have higher numbers of services. In particular, there are likely to be a higher proportion of family, youth, and housing services.
- c. Income: Neighborhoods with higher median incomes will negatively influence the number of services. Neighborhoods with higher median income will have lower numbers of services. In particular, these neighborhoods will have a lower proportion of financial services and services for the homeless.
- d. Age: Neighborhoods with a preponderance of children under age 18 will have a positive influence on the number of services. Neighborhoods with higher percentages of children and young adults under age 18 will have a higher number of services. In particular there are likely to be a higher number of youth and family services and a lower number of services for the elderly.
- e. Poverty: The predominance of households living at or below poverty level will have a positive influence on the number of nonprofit social services. Neighborhoods with high poverty rates are likely to have a higher number of services. In particular, there are likely to be a higher

proportion of services for the homeless, financial services, and housing services.

- f. Education: Neighborhoods with higher numbers of educated persons (completed a high school education) will negatively influence the number of services. Neighborhoods with higher levels of education will have lower numbers of services. In particular, there is likely to be a lower proportion of all types of services.

To summarize, the research herein will attempt to identify whether or not human service agencies and services coincide with the needs of East Baltimore residents in distressed neighborhoods. First, a categorization of the numerous human services will be constructed to identify nonprofit agencies and institutions delivering services.

Identification of service providers and what they do will allow for the recognition of service delivery patterns. Second, demographic variables and service activities by categories will be analyzed to illustrate the relationship between demographic indicators and service activities. Socio-demographic indicators represent a need reflected in the population. Such an analysis will lay the groundwork for locating services within the geographic area. Third, the spatial pattern of services will be identified by associating services provided with community needs as defined by socio-demographic indicators.

Studies by analysts in the areas of public policy, government, and geography have all too often have been aspatial or they have subordinated space to simplistic location analysis. Consequently, the process loses the geometric characteristics associated with service delivery. Furthermore, in those studies where spatial relationships between service delivery agencies and service recipients have been examined, they are frequently

done from the perspective of services recipients. The lack of empirical studies delving into the activities of service deliverers is surprising since demand (determined by neighborhood demographics) and location (distribution of services) form the basis for a theory of service activity at the intra-urban level.

As has been noted, socio-economic, socio-demographic, and geographic dimensions of service delivery are the predominate focus of this research. However, it is acknowledged that there are many neighborhood variables that affect the delivery of human services: e.g. settlement pattern, competition for space, and establishment of boundaries. Competition for space—land use and the processes of concentration, centralization, segregation, and invasion—are central to this research. These factors should be taken into account when considering the concentration of types of clients and resources in particular communities, and the degrees of isolation from resources in adjacent areas. Race, income, gender, age, and education variables were chosen for study here because this research seeks to understand the impact of community socio-demographic indicators on nonprofit service delivery—the types of services nonprofits deliver to target service areas.

RESEARCH OBJECTIVES

Objective 1: *To identify a working classification of nonprofit organizations*

A typology of the numerous human services will be constructed to identify nonprofit agencies and institutions delivering services. The identification of service providers will allow for the recognition of patterns of service delivery (or lack thereof) in East Baltimore neighborhoods.

This objective will focus on developing a typology of nonprofit organizations that serve essentially public purposes, e.g. those focusing primarily on providing human services to persons other than members of their own organizations. Such organizations secure their tax-exempt status under two or more of the twenty-five provisions of the U.S. tax codes such as 501 (c)(3)¹ and 501 (c)(4)². The goal is to focus on a subset of 501 (c) (3) and 501(c) (4) organizations, i.e., those that deliver services of a charitable, educational, or related character, or they provide advocacy for these activities. These organizations are considered the core of the nonprofit sector (Clotfelter, 1992).

¹ To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(3) of the Code, an organization must be organized and operated exclusively for educational, religious, or charitable purposes, and no part of the organization's net earnings may inure to or for the benefit of any private shareholders or individuals.

²

To be tax-exempt as a social welfare organization described in Internal Revenue Code (IRC) section 501(c)(4), an organization must not be organized for profit and must be operated exclusively to promote social welfare. Pursuant to changes enacted as part of the Taxpayer Bill of Rights 2, the earnings of a section 501(c) (4) organization may not inure to the benefit of any private shareholder or individual. Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare. Local associations of employees, the membership of which is limited to the employees of a designated person or persons in a particular municipality and the net earnings of which are devoted exclusively to charitable, educational, or recreational purposes.

Objective 2: To examine the nature of nonprofit organizations

Understanding the variations in the location, number of agencies, and classes of services provided to city residents will provide insights as to current spatial patterns of nonprofit service agencies and service delivery. Often populations are not able to receive services due to distance from agencies, transportation limitations, and other elements in the community. It is unreasonable to expect communities to be adequately serviced by nonprofits inaccessible to them. Interaction between a service program and its service area represents the essence of service delivery (Sauber, 1983).

The nonprofit sector is not a homogeneous entity with a common set of goals, purposes, and objectives. Contrary to popular belief, only one third of nonprofits serve clientele that are low-income or poor (Salamon, 1992). This in part reflects the broad range of the sector's activities. Nonprofits have varying agendas and themes; therefore the scope and range of service distribution will also be a focus. This objective will identify the types of activities of nonprofit organizations, including their location and spatial distribution relative to their geographic service area.

Objective 3: The appropriateness of services provided to East Baltimore residents will be examined.

Services and possibly the delivery system must change to effectively provide the community sustainable services. A comparison of nonprofit services delivered to economically, racially, and ethnically varied populations will illustrate the variation in the types of services provided to city residents and the suitability of these services based on socio-demographic characteristics.

Objective 4: *To develop a model of service delivery specific to East Baltimore,
Maryland*

This study will attempt to derive an emerging model that defines and describes the process of service delivery for East Baltimore from the perspective of providers. This model will be defined by the types of services provided and be based on socio-demographic characteristics of the service area.

Now that the research agenda has been discussed, the end of this chapter explains to the reader the layout of the rest of this dissertation. The literature review is discussed in the following chapter to provide some background to this study. Then, the data and methodology chapter introduces the readers to the dataset that was used and the method of analyses for the two analysis chapters.

The first analysis chapter is a descriptive examination of East Baltimore neighborhood characteristics and services provided to the area, thus giving insight into the nature of nonprofit social human services. This chapter discusses the extent to which East Baltimore is “served” and will identify and discuss the types of services that are more likely to be provided by nonprofits. The second analysis, in chapter five, discusses the construction of underserved areas in the city and the effectiveness of targeting specific areas for services. Furthermore, the extent to which nonprofit services are based on real or potential problems is discussed. The final chapter provides conclusions that show my findings support or contradict the findings in the literature and how these findings can be used in policy resolutions.

CHAPTER 2
NONPROFIT HUMAN SERVICES DISTRIBUTION AND DELIVERY:
A REVIEW OF RELEVANT LITERATURE

INTRODUCTION

Drawing on geographical research, public policy works, sociology, and materials from the field of nonprofit studies and philanthropy, the aim of this chapter is fourfold. First, this chapter begins with an overview of the theoretical foundations of the study of services delivery to demonstrate the reciprocal interactions between community characteristics and services delivery and distribution. Second, spatial outcomes of services distribution and services disparities are examined along with the relationships between community characteristics and services delivery. This discussion will establish the standard elements of services delivery as a basis for my research questions. Third, a discussion of various research methods are discussed to establish how these methods can be applied to the research questions posited in chapter one. Finally, I will conceptualize a general model of the reciprocal relationship between community characteristics and nonprofit human services so that the standard elements of any service delivery system are established as a basis for the research questions.

AN OVERVIEW OF THE THEORETICAL FOUNDATIONS OF THE STUDY OF SERVICES DELIVERY AND SERVICES DISTRIBUTION

Research on the role of urban services is not a recent phenomenon. The development of theories and works relevant to the study of services distribution and services delivery spans several academic disciplines—geography, economics, urban

planning, public policy, and non-profit studies. Table 1 presents an overview of the theories and corresponding disciplines.

The tradition of examining economic and social spatial structures developed out of the man-land philosophical approach practiced within geography. Carl Sauer (1925), whose essay “The Morphology of Landscape” became the benchmark on the subject, is most often identified with this philosophy. Sauer, while not an urban geographer himself, inspired many urban geographers to study populations and economic characteristics of cities in relation to physical location (Hartshorne, 1939). The analysis of residential characteristics and delivery of services is an extension of urban geography that focuses on the morphology or internal structure of the city.

Service distribution and delivery is concerned with patterns that result from how a group makes use of space and is characterized by movement and interaction (Dear, 1974). Social patterns and processes arising from the distribution of and access to scarce resources in the city are factors in creating and changing social patterns (Powell and Clemens 1998). While the issue of service delivery has been approached from many perspectives, its theoretical foundation extends from location theory, which aims to uncover universal spatial laws thought to undergird human behavior. Theories developed out of the need to explain and predict the location of economic activities and are based on certain assumptions concerning location decision-making that produces a certain spatial organization (DeVerteuil, 2000). Theories of settlement pattern derived from work by theorists such as Walter Christaller (1933), Von Thunen (1966), Alfred Weber

Table 1. Theoretical Foundations of Services Distribution and Service Delivery Studies			
	<i>Theorist</i>	<i>Academic Discipline(s)</i>	<i>Focus</i>
1920s	Carl Sauer	Physical Geography	Encouraged geographers to study populations and economic characteristics in relationship to their physical locations
1930s	Walter Christaller	Geography and Economics	Central place theory
1940s	Edward Ullman	Geography	Central place theory
1940s	August Losch	Economics and Demography	Central place theory
1960s	Heinrich J. Von Thunen	Economics	Location rent theory
1965	Peter Haggett	Regional and Urban Geography	Location analysis
1968	Michael Teitz	Urban Planning	Public facility location theory
1965;1970	Julian Wolpert	Geography, Public Policy and Nonprofit Studies	Client behavior and public perception of facility location
1965; 1970s; 1980s; 1990s	Jennifer Wolch	Geography, Public Policy and Nonprofit studies	Human services facility location and client service outcomes, community concerns in urban areas, interaction between community characteristics and facility location
1974; 1980s; 1990s	Michael Dear	Geography, Public Policy and Nonprofit Studies	Human services facility location and client service outcomes, community concerns in urban areas, interaction between community characteristics and facility location
1968	John Kain	Sociology	Spatial mismatch theory
1975	David Harvey	Geography	Social justice, location theory and social theory
3	John Kasarda	Sociology	Skills mismatch theory
1987; 1996	William J. Wilson	Sociology	Urban underclass theory

(1929), and August Losch (1943) and are suited to examining the location of nonprofit agencies and their service areas. Location theory addresses the questions of what economic activities are located where and why. Location theory rests—like microeconomic theory generally—on the assumption that agents act in their own self interest. One theory in particular, central place theory is generally accepted by geographers as a deductive base for understanding real world patterns of the location and operation of retail and service business. Moreover, it has been suggested by Berry (1967) that central place theory is a deductive base for the formulation of a theory of tertiary activity at the inter-urban and intra-urban (metropolitan) level.

Central place theory as formulated by Walter Christaller (1933) and presented by Edward Ullman (1941) is a seminal theory of tertiary (services) activities that explains the variation in the size and spacing of towns that perform the role of central places. Christaller's theory sought to address the factors that determine the size, number, and distribution of towns. The theory utilized the basic concepts of centrality, threshold, and range. Centrality is the draw to a particular place; threshold is the minimum market needed to bring a new firm, service provider, or city into existence and keep it running; and range is the average minimum distance that people will travel to buy services or goods.

Christaller assumed rational economic behavior by both service providers and their customers and suggested that this would result in a hierarchical arrangement of towns of various sizes serving hexagonal market areas. The demand for and the consumption of central commodities depend on the distribution and socio-economic variations of the population and the degree to which the population is concentrated in any

particular central place. Relating this formative theory to service delivery, one can assume that socio-economic character and geographic dimensions of a population influence the demand for certain services.

VonThunen's concentric model of agricultural land use, derived from economics, is an economic rent created by spatial variation or location of a resource. Von Thunen's model demonstrates the balance between land cost and transportation costs. As one gets closer to a city, the price of land increases. The Isolated State attempts to balance the cost of transportation, land, and profit and to produce the most cost-effective product for market. Although criticized as an inaccurate model of the world, it is the prototype of models and theories of location analysis (Haggett, 1965).

Alfred Weber's model of industrial location is the first developed general theory of industrial location. His model took into account several spatial factors for finding the optimal location and minimal cost for manufacturing plants (DeVerteuil, G. ,2000). Weber also expanded the model to service organizations such as investment firms, and more broadly to certain political and cultural systems.

August Losch (1943) proposed extensions and modifications to Christaller's central place theory, including a consumer model based on administrative and manufacturing structure as opposed to service centers in Christaller's model. In the Losch model, the ten smallest market areas are plotted within a network surrounding a central place. These networks were positioned to produce the largest number of places. This model produced wedges of city-rich and city-poor areas spread out around a major central place as opposed to a concentric ring model. It was a more realistic representation of tertiary activities in an area.

Peter Haggett (1965) took the aforementioned formative theories of location analysis and introduced a more scientific approach by refining statistical methods, making them more appropriate for economic geographical use. Contributing to a greater understanding of the relationships between their studies, Peter Haggett's *Location Analysis in Human Geography* gathered and discussed the works of Weber (1929), Christaller (1933), Losch (1943) and vonThunen (1966). As a result, methods of location analysis became more theoretical. Based on the assumption that one is looking for a pattern, or order in an infinite number of data, Haggett emphasized the search for order in the landscape and that spatially expressed aspects of human behavior could be explored using the hypothetico-deductive scientific method. Haggett also suggested the use of systems theory and model building for the purposes of comparison.

Expanding on the concepts within location theory, Michael Teitz focused on the intersection between the normative and the spatial aspects in human geography and encouraged model-building and quantitative assumption with his theory of public facility location. Michael Teitz (1968) argued that urban public facility location decisions were fundamentally distinct from private location decisions, resulting in a variety of research that led to a distinctive subfield in location analysis. Public facility in human geography were concerned with determining the optimal site for public facilities, while taking into account both efficiency and equity constraints. Teitz differentiates public facility³ location theory from conventional location theory. Public facility location theory utilizes welfare economics to make value judgments about the distribution of resources in society and determines if such distributions are equitable. Such value judgments are subjective

³ Public location theory is determined by governmental welfare criteria. These criteria are assumed to be based in neoclassical welfare economics, a normative branch of economics concerned with the way economic activity ought to be arranged so as to maximize economic output and social justice.

and spatial in nature (DeVerteuil, 2000). Teitz also differentiates public facility from private facility location theory because governments are the main providers of public facilities. Consequently, locating public facilities is not determined by profit seeking and is set within a broader governmental system of resource allocation and distribution (Teitz, 1968). Inherent in the public facility location theory approach is a normative dimension that utilizes political variables and addresses public policy issues.

Like Teitz, David Harvey (1973) recognized that provision of public services could not be explained through normal market mechanisms. Human services and other public services are provided by public action and motivated by society's values and altruism. Variations in cultural values and hence variations in demands and needs in the population complicate policy decisions governing service distribution. Equating the concept of "income" to access to resources, Harvey explores the distribution (redistribution) of resources in an urban setting within the context of "social justice". According to Harvey:

"Social justice is not an all-inclusive one in which we encapsulate our vision of a good society. It is rather more limited. Justice is essentially to be thought of as a principle (or set of principles) for resolving conflicting claims... The principle of social justice therefore applies to the division of benefits and the allocation of burdens arising out of the process of undertaking joint labor. The principle also relates to the social and institutional arrangements associated with the activity of production and distribution.... The essential characteristic is that we are seeking a principle which will allow us to evaluate the distributions arrived at as they apply to individuals, groups, organizations, and territories, as well as to evaluate the mechanisms which are used to accomplish this

distributions. We are seeking, in short, a specification of a just distribution justly arrived at.”

Noting that some goods are offered through public action, location decisions on public activities are mostly the result of different groups having different resources with which to bargain with, inability or large groups to organize and negotiate for resources, and the exclusion of some groups from the negotiating process. Harvey believes that spatial structure or set of structures would maximize equity and efficiency in the urban system. Examination of such spatial structures can explain distributional effects and help those providing goods to achieve a “just” or ideal distributional goal.

Human services, according to Harvey, would fall into the category of impure goods. The provision of such services are driven within the context "agency", the capacity of individuals to act independently and to make free choices, and "structure" those factors such as social class, gender, and ethnicity which appear to limit or influence the opportunities that individuals have (Giddens,1993). Harvey believes that given locational decisions on public activities is the result of unbalanced political pressures and since local public services are to become the chief means of “ income” redistribution, that we ought to pay more attention to the policies which govern their location, if we are to control the process of redistribution.

Drawing from Harvey’s works, the principles of social justice can guide the study of service delivery and service distribution in the following ways:

- 1) Spatial organization and distribution of services should be such that it fulfils the needs of the population.

- 2) Spatial organization and pattern of neighborhood resources fulfills the needs of residents and is a more efficient form of resource allocation than the metropolitan regional level.
- 3) Variations in patterns of neighborhood resource allocation are only acceptable when they are designed to overcome specific environmental obstacles which would prevent meeting a need.

A just distribution of resources would meet the needs of the populations, be allocated to maximize multiplier effects in the neighborhood and ensure that additional resources are allocated to help overcome special difficulties that result from the physical and social environment. Service distribution and service delivery are directly linked to issues of social justice. The difference between service need and actual allocation reveals something about the degree of injustice within the urban system.

More recent studies encompass the social, economic, and public policy issues associated with service delivery. Julian Wolpert (1965; 1970) emphasized the complexity of human action in the environment and expressed a more explicit concern for client behavior and for community perception of facility location and resulting impacts. The role of distance, patterns, accessibility, and impacts were the focus. Wolch (1965; 1970) took into account the perceptions of those impacted and argued that those impacts would be spatially distributed. In other words, impacts are measured according to place utility function.⁴ Wolch is noted for incorporating behavioral dimensions of facility distance, pattern, accessibility, and impacts.

⁴ Place Utility function is the net composite of utilities that are derived from an individual's integration at some position in space (location); a measure of attractiveness or unattractiveness to an area relative to alternate locations, as perceived by the individual decision maker.

Michael Dear (1974; 1978), along with Jennifer Wolch (Wolch and Dear, 1987) and others, transformed public facility location theory to address the issue of balancing facility location patterns of human services with client and community concerns. Dear's investigation of mental health facilities (1978), underlined the importance of social context by incorporating mental health care history. In particular, he argues that public facility location theory is deeply rooted in larger socio-economic and political contexts. More specifically, Wolch and Dear's research marks a movement toward linking social policy and spatial outcomes. Wolch (1979; 1980; 1981) argued that non-working poor and the services on which they depend are locationally interdependent—"the pattern of human services affects and is affected by the location of service-dependent households" (Wolch and Dear, 1993, p. 340).

The focus on clients in location theory was later complimented by a concern with urban facility patterns across metropolitan areas (Wolch and Dear, 1987). In their book *Landscapes of Despair: from Deinstitutionalization to Homelessness*, Jennifer Wolch and Michael Dear demonstrated the geographical nature of the inner-city zone of dependence and how facility clustering in urban areas grew out of the processes of suburbanization and deinstitutionalization. Undergirded by the spatial hypothesis theory, their research highlights the geographically inequitable pattern of service provisions and facility location and the interactions between service facility location and clients in urban Los Angeles.

There are a number of theories that try to explain the nature and causes of poverty in the inner-city. However, the analysis of the spatial facets of poverty has resulted in the development of two primary theories of urban poverty: the spatial mismatch theory and

the urban underclass theory. Such theories have served as the framework for some scholars examining services distribution and delivery (Joassart-Marcelli and Wolch, 2003; Wolch and Dear, 1993).

The spatial mismatch theory is a theoretical model that focuses on urban transformations and urban poverty in post-World War II U.S. cities in an attempt to explain the geographic distribution of social groups and social goods within the urban landscape. The formulation of the spatial mismatch theory is credited to John Kain (1968). This theory's basic thesis is that the increasing suburbanization of jobs, combined with the racial segregation of minorities in inner city neighborhoods, has reduced opportunities for minorities. Under this view, space affects the level and distribution of minority employment through accessibility to jobs. As jobs decentralize and minorities remain concentrated in central cities, their access to jobs decreases. Applied to homeless services, Wolch and Dear posit that institutions providing services followed a similar pattern of suburbanization that led to a decrease in services for minorities remaining in inner-city communities. As a result there is a spatial mismatch between places where low-income people can afford to live and where service facilities are located.

An extension of the spatial mismatch theory, the skills mismatch theory explains joblessness in low-income neighborhoods (Kasarda 1985). Macroeconomic changes that took place in the 1970s and 80s occurred in cities that left poorly educated residents of low income neighborhoods functionally unable to compete for knowledge intensive, white collar service industries that results in long commutes to suburbs or relocation which leaves an increasing number of disadvantaged residents of low income

neighborhoods spatially and functionally disconnected from employment opportunities. Despite gradually rising rates of nonwhite suburbanization, racial residential segregation remains the norm, laying the basis for racial and class segregation in education, transportation, and access to services.

While Kain is credited with formulating the spatial mismatch theory and Kasarda expanded the theory to skills mismatch, William J. Wilson (1987) is recognized as the originator of the urban underclass theory. This theory is based on the view that the social isolation that results from the concentration of minorities in the inner city has a negative effect on individuals in general and on the labor market performance specifically. It is consistent with the spatial mismatch theory in that it recognizes the labor market problems that result when job growth is located in the suburbs while minorities are confined to the inner city, but it goes beyond spatial mismatch in searching for explanations of urban poverty.

The urban underclass theory focuses more on segregation by income than segregation by race. It recognizes that middle income families of all races have left the inner city and moved to the suburbs. As a result, racial segregation has decreased since 1970, but income segregation has increased (Mayer, 1996). While there are some similarities between the spatial mismatch theory and urban underclass theory, they differ sharply in their policy prescriptions. The spatial mismatch theory would call for policies to move jobs closer to the inner city residents, such as improving inner city resident access to suburban jobs by improving mass transit or eliminating barriers that prevent inner city resident from moving to the suburbs. The urban underclass theory rejects the notion that mere relocation of inner city residents to the suburbs would result in an

immediate improvement in their employment prospects because relocation does not address a long term build up of skills and attitudes among inner city residents. The one policy that both the spatial mismatch and the urban underclass theories can agree on is the importance of education and training (through services) for inner city residents.

The current study seeks to examine the relationship between nonprofit human service activities and the characteristics of client service areas. An extension of urban geography, economic geography, public policy research, sociology, and nonprofit sector studies, this research draws from the theoretical frameworks of several studies that serve guide for the analyses of urban poverty and services distribution in East Baltimore.

Together the following works provide the framework for and are relevant to my research:

1. Theories of settlement patterns and economic activities by VonThunen's (1966), August Losch's (1943), Walter Christaller (1933) serve as the foundation for studying the relationship between human nonprofit services activity locations and urban neighborhood. Peter Haggett (1965) contributed the use of more statistically refined and theoretical techniques in addressing spatial outcome in the environment. Michael Teitz (1968) makes a distinction between public facility location theory from conventional location theory that has a heavy emphasis on governmental policy. Public facility location theory acknowledges community concerns and public policy issues.
2. Wolpert 1965; 1970), Wolch (1979; 1980; 1981), Dear (1974; 1978) and Wolch and Dear (1993) all contributed to knowledge of not only location decisions of service facilities but revealed that client characteristics influence where facilities choose to locate. These works acknowledge a connection between policy and

spatial outcomes and recognize the interaction between service providers and community clients. These works, with a strong spatial dimension are the foundation of my research questions, objectives, and methodology.

3. John Kain's spatial mismatch theory, John Kasarada's (1983) skills mismatch theory, and William Wilson's (1987; 1996) urban underclass theory serve as a guide and provide the theoretical framework for the analyses of poverty and services distribution in East Baltimore.

SPATIAL OUTCOMES OF NONPROFIT SERVICES DISTRIBUTION AND THE ROLE OF COMMUNITY CHARACTERISTICS

There are numerous different perspectives on the complex issue of nonprofit service delivery. Without doubt, one of the most widely discussed issues is the role of nonprofits in human service delivery—determining client populations, service personnel, and service facilities locations in relation to each other is clearly prevalent in the literature. Service delivery is defined as the distribution of services in a given area as well as the differentials in levels of services received by various groups and communities (Jones, Greenberg and Drew, 1980). The study of service distribution involves the examination of the correspondence between urban demography and urban services, as well as an explanation of the relationship. The social geography of the community and the nature of organizations providing the services affect these processes. The following discussion will provide an analytical framework for examining the extent to which nonprofit organizations are engaged in human services delivery and the social, economic, and demographic characteristics of communities they serve. Despite the volume of

research in these areas, many important fundamental problems and questions remain unresolved (Urban Institute, 2002; 1997). What specific types of services are offered by nonprofits? How does demography influence services distribution? And can communities be defined based on variations in services? And what methods are appropriate for determining spatial matching of services, just to name a few.

Research in the area of urban service delivery and service distribution has followed several avenues. Research in nonprofit geography and services distribution examined services for the homeless (Wolch, 1979; 1980; 1981; Dear, 1978), city services (Jones, Greenberg and Drew, 1980), voluntary and charitable activities (Maryland Association of Nonprofits, 2006; Salamon, 1997; Wolch and Geiger, 1983), and location of nonprofits in urban areas (Wolpert et al., 2001).

More recent studies regarding the delivery of services encompass the social, economic, and policy issues associated with human services provision for the poor and homeless. Current literature does not support the assumption that human services comprise the largest component of charitable activities. Several studies show that agencies focusing on the poor are on the decline compared to other types of nonprofit activity (Maryland Association of Nonprofits, 2006; Salamon, 1997). The shares of agencies addressing poverty issues are smallest in large inner cities where poverty has the greatest effects. Moreover, nonprofits have an increasing share of human services in the largest and poorest cities relative to the local, state, and federal public sectors (Weisbrod, 2000). There seems to be a general consensus that disparities in basic services and quality of life are widening within metropolitan areas on the decline.

There are many possible explanations for the disparities in urban services. Traditionally, both public and nonprofit sector human services targeted to the poor were concentrated in the most dilapidated areas of the inner city (Wolch and DeVerteuil, 2001). As public programs were contracted out and nonprofits were established, some human services became decentralized. Suburbanization and government divestment from services has had a severe impact on low-income populations (Wolch and Dear, 1993; Clotfelter, 1992; Campbell, 1986).

In the 1980s, an increasing number of nonprofit institutions maintained their commitment to provide services to disadvantaged populations; however, other agencies abandoned the needy (Wolch, J. and Dear M., 1993; Wolpert, 1993a; Clotfelter, 1992). The large and well-established nonprofits in all service categories generally experienced considerable growth in the 1980s, while budgets for smaller, community based human service organizations in the inner cities declined severely. In areas where the need for human services increased, individuals were forced to travel long distances for services, make do with the services offered to them, or go without services altogether.

Studying the distribution of voluntary resources in urban Los Angeles County during the 1970s, Wolch and Geiger (1983) found that social welfare and community services tend to locate in middle-class suburbs with higher service needs than more affluent areas, but also higher levels of public expenditures and governmental support. Few institutions were found in either affluent White neighborhoods or economically disadvantaged and service-dependent neighborhoods with large minority populations. The findings suggest that the nonprofit sector does not target the poorest areas but rather is focused on middle-class communities.

Studies in the 1990s by Wolch et al. (Lee, Wolch, and Walsh, 1999; Wolch and Walsh, 1998; Wolch and Dear, 1993; Wolch, 1993b; and Wolch, 1992) reach similar conclusions about the delivery of services to families with children and to the homeless in Los Angeles County. Drawing on public facility location theory, researchers hypothesized that in addition to proximity to potential users, nonprofit locations would be influenced by functional linkages with similar agencies and a willingness of communities to host service facilities. They found that children's service organizations tended to be concentrated in middle class areas similar to where other related services were located. In general, Lee et al. (1999) found that homeless shelter and service programs were heavily oriented toward working class and poorer areas. However, when adjusted for the distribution of services per capita, their extensive poverty meant that they were actually underserved compared to more affluent neighborhoods.

Another study of urban nonprofit geography by Bielefeld, Murdoch, and Waddell (1997) studied the influence of demographics and distance on the location of social, health, and educational services in Dallas County census block groups using Internal Revenue Service data (IRS) of 501(c)(3)s. They found that nonprofits were likely to locate in neighborhoods characterized by higher incomes, older populations, and a greater proportion of minority populations. They further concluded that the significance of these socio-demographic characteristics decreased as distance from the service providers' locations increased. Such characteristics had the strongest influence within a one-mile radius, emphasizing the importance of community-based needs and resources.

Additionally, a larger number of studies have focused on urban nonprofit geography in terms of charitable giving and individual volunteerism (Smith, 1994).

Wolpert (1993b) suggests that the characteristics of the local population are likely to affect the location decisions of nonprofits because approximately 85% of charitable giving is raised and spent locally. One key characteristic is socioeconomic status, once again indicating that nonprofits are more likely to locate in upper- to middle-class neighborhoods.

Others have focused on the influence of population characteristics on services delivery. Either implicit or explicit in most discussions addressing the problem of service delivery and target populations has been the suggestion that the increase in the demand for human services is directly related to the composition of central city populations (Corbin, 1999). According to Corbin, the size of the nonprofit sector in human services is positively influenced by racial and religious diversity in the population. Population heterogeneity in terms of income, education, religion, and ethnic diversity is a significant indicator of service needs. The composition of central city populations has increased the need for certain urban services such as health, crime prevention, and housing services.

Also emphasizing the relationship between community characteristics and human services, Diagne (1995) argues that services are more distributive when communities are a blend of various income groups. This is supported by Weisbrod (2000) and Bielefeld et al. (2004) who assert that ethnically diverse communities will have more nonprofit institutions to serve their diverse needs. Similarly, Wolpert (1993a) concluded that suburban neighborhoods, smaller and typically more homogeneous than central cities, would have fewer nonprofit resources. These findings suggest a direct relationship between services and composition of the service population. Findings show that an increase in demand for health, crime prevention, and housing services is directly related

to the composition of the target group. Race, income, education, and gender variables are correlated to the need for certain human services.

According to Salamon (1992), when communities are a blend of various income groups, services are distributed more equitably among income groups. Not all types of service agencies perform similarly in terms of their focus on a population. For example, agencies specializing in employment and training are far more likely to focus primarily on economically disadvantaged communities than agencies specializing in education, research, or health care (Salamon, 1992).

McPherson and Rotolo (1996) find that social variables are more directly related to human services than any other type of nonprofit service activity. In an attempt to understand gaps and duplications in service delivery, scholars and policy makers have tried to understand how class, race, and gender have influenced how services are delivered. Specifically, McPherson and Rotolo studied how the basis for community identification affects the degree to which special interest groups—such as the elderly—are served. The general results are similar to Corbin (1999), Diagne (1995) and Salamon (1992).

There seems to be a general agreement among scholars on the relationship between service distribution and population characteristics (Takahashi and Smutny, 2001; Jones, Greenberg and Drew 1980; Bielefeld, Murdoch, and Wadell, 2004; and McPherson and Rotolo, 1996; Wolch and Geiger, 1983). Discussions of access to services have long argued that multiple factors influence the delivery of human services, including the characteristics of the populations needing services and the form and function of the existing service delivery system (Takahashi and Smutny, 2001). Other

studies have a tendency to focus on the factors associated with access to services. Factors such as income and race have been used to identify populations with inequitable access to human services (Gronbjerg, 2001). While studies about how descriptive variables interact with other factors provide policy makers and scholars with information about a population's use of a service, they say little about the impact on the types of services delivered by human service agencies.

The literature emphasizes three central issues when comprehending service delivery agencies and their relation to service populations: 1) the source of citizen demands for government service action and how demands are related to demographic characteristics of residents (Wolch et al., 1999; Wolch and Dear, 1993; Wolch, 1993b; and Wolch, 1992); 2) definable social, economic, racial, or geographic groupings receiving services that agencies provide (Weisbrod, 2000; Corbin, 1999; McPherson and Rotolo, 1996; Wolpert, 1993b; Salamon, 1992); and 3) the impacts of the municipal service effort, specifically the differing influence of social, economic, racial, or geographic groupings of citizens (Bielefeld, Murdoch and Waddell, 2004; Weisbrod, 2000; Corbin, 1999; Diagne, 1995). Socio-economic and demographic characteristics are among the most commonly given reasons for variation in service delivery. The results show that the effects of socio-economic and socio-demographic factors impact the decision-making process of service providers.

Wolch and Geiger (1983) examined the distribution of nonprofit human services and community service organizations in Los Angeles County in relation to a number of need-based variables including: percentage of elderly, minorities, infant mortality rates, and crime rates. The findings prove that the allocation of nonprofits is positively

influenced by community characteristics. However, Wolch and Geiger's study, like Wolpert's (1993), reveals little about the degree to which service organizations are attached to their neighborhoods.

According to Bielefeld et al (2004), nonprofit entities are most heavily influenced by the characteristics of the surrounding community. Block group data for Dallas, Texas, were used to estimate the relationship between service delivery of nonprofits and socio-economic characteristics of the surrounding neighborhood. Community listings of nonprofits were used to identify agencies. Variations in gender, age, and income structures were proven to have an effect on the delivery of services. Neighborhood income, age, percentage of minorities, and ethnicity were employed as need-based variables. Similar to previous studies, the relationship between population characteristics and service delivery is confirmed. Linear regression was employed to establish the effects of the variables. Contrary to the literature, income and age show a negative relationship. Income and age measures are artificial because arbitrary census categories were used, whereas race and ethnicity data are categorical. Despite the limitations, the general theory that nonprofits are most heavily influenced by neighborhood characteristics is confirmed. However, the study reveals little information about the influence of demographic variables on service activities. Bielefeld, Murdoch, and Waddell (1997) conclude that nonprofits are most heavily influenced by the characteristics of the neighborhoods directly around them.

Together these studies reveal two findings relevant to the current research:

1. The nonprofit sector at large appears to target middle-income and middle-class communities; not the poorest areas (Maryland Association of

Nonprofits, 2006; Salamon, 1997; Wolch et al., 1999; Wolch and Walsh, 1998; and Wolch and Dear, 1993).

2. Service distribution of nonprofits is influenced by community population size, socioeconomic characteristics, and the extent and depth of poverty in a community. The literature suggests a direct relationship between services provided and demographic composition of the community being served (Bielefeld, Murdoch and Waddell, 1997; Wolpert, 1993a; Diagne, 1995; Salamon, 1992). These works are the foundation of my primary research question: What is the relationship between nonprofit human service organizations and the characteristics of client service areas?
3. The literature suggests human services in particular are positively influenced by race, income (Diagne, 1995; Weisbrod; 2000), and educational level (Corbin, 1999; McPherson and Rotolo, 1996). The following socio-economic and demographic characteristics were prevalent as factors influencing the distribution and delivery of services in an area. These factors are particularly vital because my study utilizes the following variables (along with data on neighborhood poverty) as surrogates to assess a neighborhood's need for human services.
 - a. Income (Bielefeld, 2004; Gronbjerg, 2001; Weisbrod;2000; Corbin, 1999; Bielefeld, Murdoch and Waddell, 1997; Diagne,1995; Wolpert,1993a; Salamon, 1992)
 - b. Age (Bielefeld and Murdoch, 2004; Bielefeld, Murdoch and Waddell, 1997)

- c. Race (Bielefeld, 2004; Gronbjerg, 2001; Weisbrod;2000; Corbin, 1999; Bielefeld, Murdoch and Waddell, 1997; Diagne,1995; Wolpert,1993a)
- d. Education (Weisbrod; 2000;Corbin, 1999; McPherson and Rotolo, 1996; Wolpert,1993a)
- e. Gender (Bielefeld, 2004; McPherson and Rotolo, 1996)

ANALYTICAL APPROACHES TO EVALUATING NONPROFIT HUMAN SERVICE ORGANIZATIONS AND ACTIVITIES

The literature conveys substantial issues related to the analytical approaches used to evaluate nonprofit human service organizations and activities. To ensure that the current study develops a comprehensive method, some shortcomings of prior research methodologies may be highlighted—in particular methods used to assess human services.

Human services is a broad field of human endeavor to promote the well-being of individuals, families and groups, and communities, especially those who are least able to help themselves (Baltimore Department of Human Resources, 2001). There is much in the literature about client services, accessibility, and related policy; most delivered by charitable nonprofit organizations. However, the literature on classifying of human service nonprofit activities for the purpose of evaluating access to services is lacking. According to Takahashi and Smutny (2001), identifying the availability of services consists of enumerating the locations of service providers. On the other hand, just as there may be a spatial mismatch between a service population and the location of service deliverers, there might also be a mismatch between the needs of clients and the types of services offered (Wolpert et al.,2001). For example, for persons with substance abuse

issues, there may be more or less need and use of specific types of services such as methadone clinics.

The Urban Institute's Center on Nonprofits and Philanthropy (Devita, 2002) published a study based on the enumeration of nonprofits. The resulting state profiles provide information about the regional distribution of nonprofit activities. Utilizing Internal Revenue Service tax exemption data, the profiles document the size, scope, and financial activities of nonprofit organizations and institutions. Although Internal Revenue Service (IRS) data is the most comprehensive standardized data on tax exempt organizations (Bielefeld, 2000; Gronbjerg, 1994) and has been documented widely in the literature, the use of IRS data alone is insufficient to identify specific nonprofit services activity (Bielefeld et al, 2004; Salamon, 1997). Previous studies using solely IRS data might be useful as an empirical base for informing policy and debates about national and regional nonprofit activity. However, the discussion of services is large-scale, wide-ranging, and ambiguous, giving little insight into the specific nature of services delivered.

Wolch and Dear (1993), unlike the Urban Institute, further classify service activities by identifying a geography of human services through merging the outcomes of welfare restructuring with policy responses to homelessness. The three categories of human services delivery are: 1) emergency services, 2) coping services, and 3) other human services that provide a broad range of community services. Although the authors found that the most striking characteristic of the human services sector as a whole was the degree of dominance by nonprofit agencies in service delivery, they did not characterize or categorize individual human services.

Recognizing the predominance of the charitable organizations in the nonprofit service sector and the need for a more exhaustive assessment of nonprofit services, Salamon (1997) examines the impact of nonprofit institutions in Maryland. The study identified the role of specific nonprofit services in Maryland, resulting in the construction of a broad typology of services for Maryland nonprofit organizations. The number of employees, number of organizations, and the amount of revenues formed the basis of the research. Similar to studies in other cities, results reveal that human services are occurring more predominately in middle-income communities. The shift of service agencies from the urban core (Baltimore City) is in alignment with national trends but raises serious questions about the nature and the quality of services available for people left behind in the cities.

The methodology, similar to the Urban Institute methods, utilizes not only IRS data, but also directories of Maryland nonprofits to supplement tax exemption data. It is commonly acknowledged that the IRS data does not include all active nonprofit organizations. Salamon's methodology for investigating the distribution of services is the most comprehensive in the literature. The results yield ten categories or classes of nonprofit activities across Maryland. Some of the relevant findings show that:

- Most state services are in the Baltimore region
- Nonprofit employment is decentralizing, with greatest growth in the suburbs
- There are over 12,000 nonprofits operating in Maryland
- Over half of nonprofit activity is in the area of human service
- Large shares of newer agencies are in the area of human service
- One quarter of nonprofits serve urban populations

- Agencies likely to focus on the poor are large agencies, younger agencies, and those located in Baltimore
- Nonprofits are facing an increased demand for services
- The Baltimore region houses half of all nonprofits in Maryland
- Growth of nonprofits located in Baltimore City slowed between 1989 and 1996

While Salamon's work provides vital information on statewide and regional nonprofit activities, the findings lack any mention of the spatial dimensions of service delivery or implications for communities served or underserved. Furthermore, the implications for traditional poverty-focused human services are not considered. Nonetheless, its value lies in the establishment of a thorough methodology for identifying services on a regional scale.

Services for urban residents were the focus of a 1993 study examining homeless shelters and human service systems in Los Angeles County (Wolch and Dear, 1993). County informational and referral data were utilized to identify facilities, agencies, and programs providing services. Although the results produced a categorization of Los Angeles County human and other services, the inability to consistently identify a specific service as opposed to a facility that offers a service or an agency that provides a service could possibly diminish the account of service delivery. Information regarding service type, the agency providing services, and agency location might provide a clearer picture of service provision. Findings also noted the predominance of the nonprofit sector in providing services, particularly human services.

Going beyond an informative classification of services, Wolch and Dear (1993) explore inequities in human services according to economic class—upper, middle,

working, and poverty classes. Homeless services are linked to economic class; measures of need include: extreme poverty, housing, welfare-recipient, and homeless status. The measures were the number of human service programs per the number of residents with a given measure of need. For example, the measure of extreme poverty in 1990 was the number of human service programs per 10,000 residents with income below 75 percent of the poverty line. Results reveal patterns of “service rich” and “service poor” areas consistent with community economic boundaries. Findings suggest that regional patterns of services are characterized by the concentration of service opportunities in relatively few locations. Wolch and Dear (1993), unlike Salamon (1997), recognize that “the geographic distribution of services matters most when it is compared with the distribution of the population in need (Wolch and Dear, 1993, p. 235).”

Many scholars investigating nonprofit human service activities utilize Internal Revenues Service (IRS) tax data (Bielefeld, 2004; Gronbjerg, 2001; Bielefeld, 2000; Urban Institute, 1997; Salamon, 1997). The National Center for Charitable Statistics (NCCS) developed the national Taxonomy of Exempt Entities (NTEE) as a classification scheme to serve as a common language for statistics on the nonprofit sector (Gronbjerg, 2001). The system is now used by the IRS, the Urban Institute, the Independent Sector, and Philanthropic Research, Inc., the organization that maintains the Guide Star web site commonly used for data collection by scholars of the nonprofit sector. The NTEE was revised to make it easier to use in 1999 when the IRS assumed the responsibility for classifying all new organizations receiving tax exempt status.

The NTEE’s definition of human service activities utilizes a traditional view of services that includes individual and family services (social, counseling, welfare, and

referral), job training (training work experience, vocational rehabilitation for the unemployed, underemployed, and physically challenged), day care (children, infants), and residential care (children, elderly, or other groups unable to care for themselves) (Salamon, 1999). The NTEE also includes housing, food, youth development, emergency services, crime prevention and legal services, and public safety, all service activities that may not traditionally be thought of as human services. The current NTEE classification, although broad and all-encompassing, poses a challenge to data manageability and concise assessments because of the large number of categories that sometimes contain overlapping services.

In 2000, the NCCS made available in its Core Files IRS data from the Business Master Files (BMFs) and the Return Transaction Files (RTSs) for 501c (3) organizations required to file Form 990. Although these exclude institutions with annual gross revenues below \$25,000, they provide the most comprehensive standardized data on tax exempt organizations (Bielefeld, 2000). Nevertheless, BMF files can present issues such as validity of address reported (Hagar, et al. 1996). A study of the BMF in 1994 (Hagar et al, 1996) suggests that 27% of addresses listed in the BMF were incorrect. Another study in 2003 (Joassart-Marcelli and Wolch) confirmed these findings—only 23% of nonprofits had correct addresses. After cross referencing BMF data with local directories of nonprofit organizations, Joassart-Marcelli and Wolch found that 15% of nonprofits are not listed in the BMF because they did not exist then or because they ceased to exist since the BMF was made available. Joassart-Marcelli and Wolch (2003) conclude that although this is a considerable degree of error, there is no reason to assume a spatial bias in the distribution of unlisted organizations. Furthermore, inaccuracies in address reporting are

related to the fact that some organizations, especially satellite organizations, used headquarters' addresses instead of their actual address.

CONCEPTUALIZATION OF A HUMAN SERVICE DELIVERY MODEL

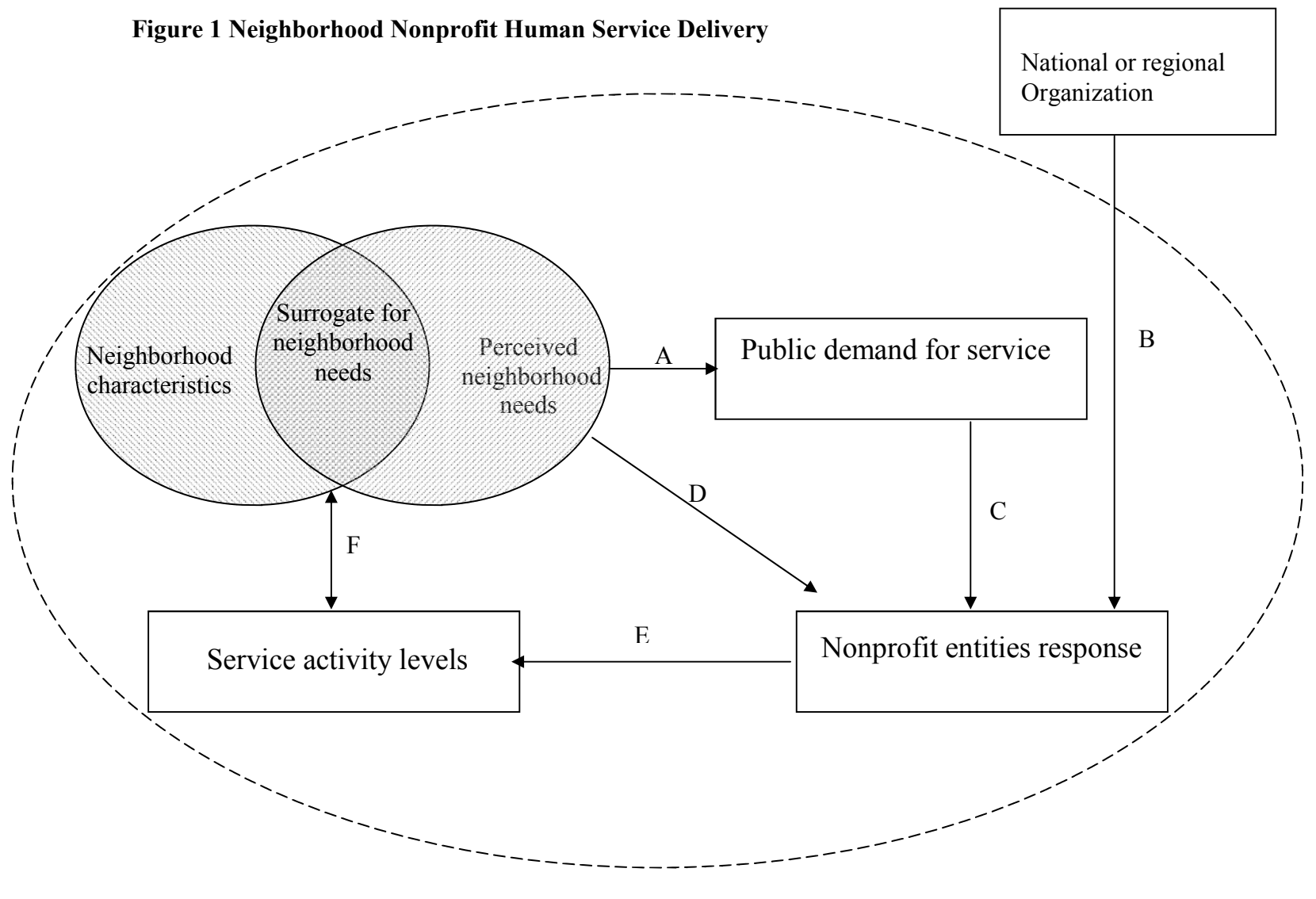
Drawing from the literature, I have conceptualized a model of the reciprocal relationship between community characteristics and nonprofit organization response to human services needs at the neighborhood level. This model is based upon the assumption that the socio-economic and demographic characteristics of a neighborhood can serve as surrogates for services needs. Community characteristics along with... reveals a need. The public recognizes there is a specific need for a services and responds with a nonprofit entity that can be local or an entity that is a part of a national or regional network of service providers. The nonprofit responds to neighborhood need with service activities that are influenced by neighborhood characteristics. In return the neighborhood's service needs are met. These service delivery systems continue to work until community need is reduced. If community characteristics expand, new services are created and delivered. The service delivery system continues to work until neighborhood characteristics no longer indicate a need for services. At this point, services are terminated, reduced or changed to continue to meet the population needs.

Figure 1 is an explanatory model of human service delivery at the neighborhood level. The model hypothesizes certain linkages between population characteristics and nonprofit service levels expressed as quantity or number of services. It is acknowledged that all components of the model are not addressed in this research. For example, perceived neighborhood needs are related to issues of social justices (Marsh, 1996)—such issues are not addressed. The focus of this research is the relationship between

community needs and service activity levels. Also it is acknowledged that the reciprocal nature of the relationship between neighborhood needs and service activity levels is at best superficial.

Linkages and services levels all take place within the neighborhood, represented by the dashed oval. The boundary line is broken because nonprofits are supply services to the neighborhood from remote locations outside the neighborhood boundaries. Arrow A represents the process by which neighborhood characteristics and perceived neighborhood needs can be used as surrogates to determine human services needs at the neighborhood level. Arrow B represents the presences of nonprofit entities outside the neighborhoods that may provide services or establish a service location within the neighborhood. Service locations that are under the auspices of larger organizations outside the neighborhood are created according to service delivery policies that are indirectly conditioned on the neighborhood characteristics. Arrow C represents the public demand for services that results when the public recognizes there is a need for services. Public demand is rooted in the neighborhood level social process. Therefore nonprofits respond with services that are directly linked to neighborhood characteristics. Arrow D represents the connection between neighborhood characteristics and the establishment of local services. Arrow E represents the quantity of services provided to a neighborhood based on nonprofit organizational response to the public demand for services based on neighborhood social processes. Arrow F corresponds between

Figure 1 Neighborhood Nonprofit Human Service Delivery



neighborhood characteristics and the levels of services delivered and thus symbolize service distribution. Nonprofit service activity quantities are conditioned on neighborhood characteristics that are relevant to the organization in performing its task. The relationship between service activity levels and neighborhood need is reciprocal. The level of services should increase or decrease according to neighborhood needs represented by need surrogates. Socio-economic and demographic indicators and the perception of need based on those indicators yields a surrogate that can be used to gage neighborhood service needs.

CONCLUSIONS

Overall, a review of relevant literature on services distribution, community influence on service delivery, and the role of nonprofits in human service delivery shows that estimating the nature of human services in urban populations is complicated. It is apparent that nonprofits are increasing their share of human service delivery. In addition, characterizing the role of the nonprofit human services entities and the nature of service activities is challenging because several different criteria may be applied. Nonprofits have been evaluated according to revenues, composition of the surrounding community, number of employees, and proximity to their service communities. A small number of studies focus on the influence of community characteristics. However, such studies limit their analysis of the relationship between changing community composition and human services to the location decisions of nonprofits.

Research on human services and service distribution continues to focus on the level of service provision at particular places and over given markets or target areas as well as the implications of demographic structures for services delivery. However, there

are a few studies exploring the relationship between the various types of human services that nonprofit entities provide and their target populations. Researchers have yet to underscore the dynamic relationship between community characteristics and the specific service activities of providers, especially given the nature of urban populations needing human services. Studies addressing such issues have only distinguished between national regions, between state regions, between central cities and suburbs, and between cities within a large metropolitan area. Distinctions at these levels are too broad to determine the extent to which nonprofits are influenced by population characteristics close to their locations, as opposed to factors geographically removed from them.

In spite of the disparate methodological approaches discussed in the literature, a solid foundation exists for examining the role of nonprofits in shaping human service policies to the communities they serve. Nonprofit human services are worthy of study because, as illustrated, traditional human services are dominated by the nonprofit sector. Therefore, how nonprofits operate and develop significantly shapes the service delivery system in human services. Nonprofit service providers may or may not meet the needs of economically disadvantaged city residents resulting in *service rich* or *service poor* areas. That question remains to be answered; however there is a paucity of studies that seek to understand service distribution and the influence of demographic and geographic factors. These factors, in essence, may represent the needs that nonprofits attempt to meet. Also lacking is a method to examine service activities of economically and racially varied populations. Analyzing geographic spaces targeted for nonprofit services according to race, income, gender, age, and education is important because these variables can serve as surrogates for community needs. The examination of nonprofit service distribution

and the relationship between neighborhood characteristics and human services will be presented according to the four components of services delivery in figure 1.

The major research question of this study is what is the relationship between nonprofit human service organizations and the characteristics of client service areas? Component one of the human service delivery model addresses who the clients are and what their service needs. Component two explores nonprofit services activity locations in proximity to the six East Baltimore neighborhoods. Component three addresses the types of nonprofit services activity levels and the quantity of services per the population. And component four speaks to the appropriateness of services for the six neighborhoods—are services spatially matched to neighborhoods according to selected surrogate need indicators? In addition, component four examines the reciprocal relationship service activities and community characteristics. The research design is outlined in the following chapter.

CHAPTER 3

RESEARCH DESIGN: METHODOLOGY AND DATA STRUCTURE

This chapter describes the research design used in this study. In order to support the hypotheses posited in chapter 1, the research methodology is based on the distribution of neighborhood-level measures of human service delivery in East Baltimore. The purpose of this chapter is fourfold. First the study area will be described. Second the method of data collection for both socio-economic and demographic data is discussed. Third the methods of data collection for the nonprofit human services activities are discussed. Finally statistical methods for the analysis are discussed.

The first hypothesis suggests there is a statistical relationship between service activities and selected socio-economic and demographic indicators in the study population. Furthermore, it is hypothesized that there is a spatial relationship between nonprofit service activities defined by selected socioeconomic and socio-demographic variables. The question to be answered is: Are services directed at specific demographic characteristics? In addition, five independent variable: race, income, gender, age, education, and poverty status are hypothesized to cause variation in the number of service activities (dependent variable). There are two types of data: demographic and socio-economic data and service activity data on nonprofit organizations. The data and research methodology is designed to identify a spatial match between metropolitan East Baltimore neighborhoods and services offered by nonprofit agencies and institutions.

DESCRIPTION OF STUDY AREA

Six East Baltimore City neighborhoods were chosen as the general study area. Nonprofits organizations in general are recognized for having significant neighborhood ties—in Baltimore City 34% of nonprofits have a neighborhood focus (Salamon, 1997). The assumption that human service organizations provide services to neighborhoods based on perceived needs suggests that socio-economically depressed neighborhoods would be targeted for services. Based on 2000 census data, the East Baltimore neighborhoods selected for study appear to represent distressed neighborhoods that would require human services.

East Baltimore consists of predominately African-American neighborhoods where vacant, boarded-up buildings and empty lots are more common than occupied homes. They are neighborhoods that struggle with high rates of crime and drug abuse, low incomes and low educational achievement. Additionally, East Baltimore was selected because of the diversity of the types of nonprofit services that are provided. The combination of a population apparently in need of services and diversity of nonprofit service providers contribute to the suitability of East Baltimore as the study area. However, the diversity of services could possibly be attributed to and complicated by the presence John's Hopkins University and Morgan State University in the area. Both of these institutions provide many opportunities for human services and other types of service activities.

A critical variable in assessing service delivery and service needs is the unit of analysis that is chosen. For purposes of determining the availability of services, it is useful to define a geographic area that most closely approximates the areas in need of

social services and areas in which individuals would normally seek out services. Studies indicate that individuals seek out social services in their residential neighborhood—especially in the areas of services for children and youth (Queralt and Witte, 1998).

Census tracts⁵ were initially designed to be sensitive to what is regarded as important physical and socio-economic boundaries. Map 1 shows the boundaries for the six East Baltimore neighborhoods whereas Table 3 breaks down the neighborhood clusters by census tracts. In contrast, zip codes are postal areas created without attention to socio-economic and demographic indicators. They are also larger with the typical code comprising approximately 25,000 people (Geronimus, et al., 1996). In the heavily urbanized area of Baltimore, many of the zip code areas have populations ranging from 15,000 to 60,000 people. Such large areas are not representative of neighborhood communities.

The study area will be discussed from three distinct levels; the *neighborhood cluster* which is a grouping of smaller East Baltimore neighborhoods, the *individual neighborhood* which are comprised of census tracts and the individual census tract.

The use of census data at the tract (neighborhood) level allows certain assumptions to be made about basic service needs in East Baltimore based on socio-economic indicators. The selected indicators from 2000 consist of variables that represent neighborhood levels of economic and social resources. The variables were chosen based on previous studies and hypotheses about measures of economic stress, residential mobility and stress on families, and community needs. Social variables of

⁵ U.S. Census tracts are locally-determined geographic units, ranging in size from 2,500 to 8,000 persons. Tracts are meant to approximate "neighborhoods" by capturing a group of residents with similar population characteristics, economic status, and living conditions. Tracts can be used by themselves as units of analysis, or as the building blocks to create larger neighborhood areas.

interest are race, age, and gender. Economic variables that reveal something about the social resources within a neighborhood include income, education attainment, housing tenure, housing vacancy characteristics, and poverty rates. The overall grouping of variables represents a neighborhood's characteristics and economic and social resources. The neighborhoods are a combination of contiguous census tracts within the study area. The neighborhoods are defined based on generally accepted neighborhood boundaries within each area and compatibility with census tract boundaries (Baltimore City Department of Planning, 2006). These neighborhoods are not census geography; therefore, I am unable to extract data from census data based on these areas. Instead, I extract data by census tract and aggregate to the neighborhood level.

Neighborhood by census tract provides a breakdown of data by tract within the neighborhood. All neighborhoods and municipalities consist of a number of census tracts. The number of census tracts will vary by neighborhood. To choose only the census tracts within the study area, I use the census tract geographic level and choose all the tract numbers within the study areas. Eight of the 26 census tracts are traversed by the neighborhood boundary.

Seventeen neighborhoods make up six larger more distinctive neighborhood clusters. Table 2 shows the neighborhood clusters and their breakdown according to the Baltimore City Department of Planning. The primary focus of analysis is the neighborhood clusters. The entire area encompasses 29 census tracts (all with resident populations) occupying 6.5 square miles with a population of 58,712 and a total of 21,040 households (U.S. Bureau of the Census, 2000). According to the 2000 U.S. Census, approximately 81 percent is African-American, 16 percent is White, 1 percent

Asian and 1 percent Hispanic. The remaining 1 percent classified themselves as “Other” or of 2 or more races

Observational fieldwork determined that East Baltimore neighborhoods represent a variety of dwelling types, including apartments, row houses, townhouses and single family houses. According to the census 45% of Baltimore city residents rent their housing. On average, 67 % of East Baltimore residents rent their housing. In some areas, such as the Gay Street neighborhood in Hopkins Middle East, 89 % of residential housing is rented. Only 30% of housing is owned in East Baltimore compared to 45% in the entire city.

Unlike some other areas of Baltimore City and its surrounding suburbs, East Baltimore’s educational and income levels are low. The 2000 census shows that among those 25 years of age and over, 45 percent have less than a high school education, 32 percent are high school graduates, 14 percent have less than a high school education, 32 percent are high school graduates, 14 percent have some college education, 2 percent have an associate’s degree, 4 percent have a bachelor’s degree, and 3 percent have graduate or professional degrees. The median household income is \$20,614. Ninety eight percent of East Baltimore’s population lives at poverty level and 37 percent live below the poverty level. According to the Baltimore City Data Collaborative over 80 percent of East Baltimore families of all types (single female headed, two parent families, etc) earn wages below the Family Support Wage⁶.

⁶ The Family Support Wage is the amount of income needed to sustain a family without additional income support e.g. public assistance.

Table 2. East Baltimore Neighborhoods, Neighborhood Clusters and Census Tracts		
Neighborhood	Neighborhood Cluster	Census Tract Numbers
Greenmount East		806, 807,808, 908, 909, 1001, 1003, 1002, 1203, 1204, 1205,
	Broadway East	807, 806, 808
	Greenmount West	1206, 1203, 1204,1205
	Johnson Square	1003, 1002
	Oliver	909
	Barclay	1204
	East Baltimore Midway	908
Madison – Eastend		701, 702, 703
	Biddle Street	701702
	Madison - Eastend	701702
	Milton - Montford	702, 703
Clifton - Berea Area		802, 803.01, 803.02, 804, 805
	Berea	802, 80301, 80302, 804
	Darley Park	805
	South Clifton Park	802, 805
Hopkins - Middle East		704, 605, 604,
	Dunbar Broadway	604, 605
	Gay Street	704
	Middle East	704
Monument Street Industrial Area		2604.04, 2604.01, 2603.03
	Orangeville	2604.04, 2604.01, 2603.03
Oldtown Area-Jonestown		301, 302, 501, 1002, 1003
	Latrobe Homes	1002
	Oldtown	1002
	Penn – Fallsway	501, 1003
	Somerset Holmes - Monument East	501, 301,302
Source: Baltimore City Department of Planning (2006)		

Figure 2. East Baltimore Neighborhood Clusters and Individual Neighborhoods

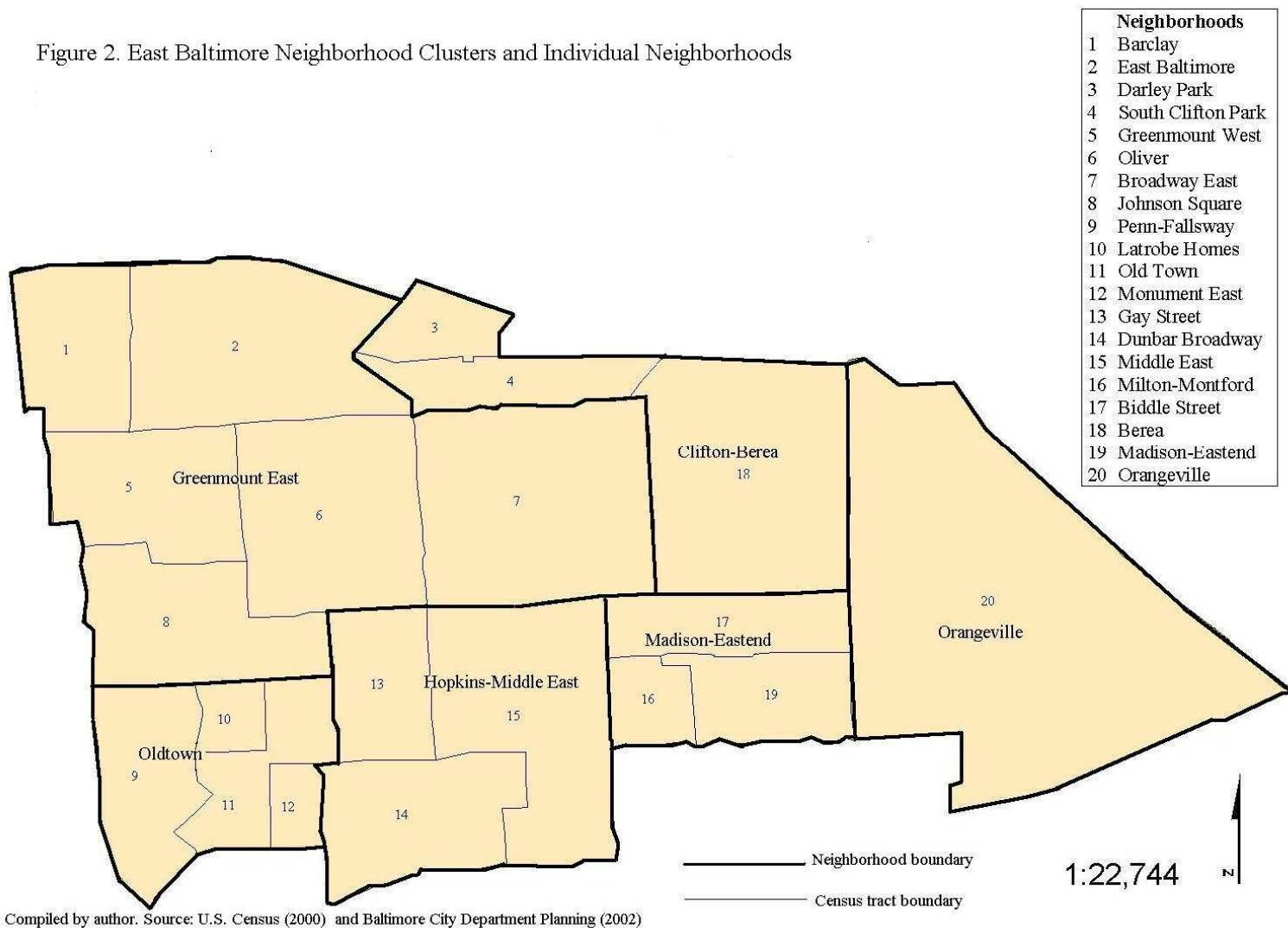


Table 3 Socio-economic and Demographic Characteristics of Individual Neighborhoods

Neighborhoods	Total population	Males	Females	White	Black	Children under 18 years	Median household income	Living Below the Poverty Level	Housing Owned	Housing Rented	Vacant Housing
Baltimore City	651155	47%	53%	32%	64%	24%	\$30,080	23%	45%	47%	14%
Barclay	2745	49%	51%	7%	90%	26%	\$17,650	39%	19%	72%	27%
Berea	4525	44%	56%	1%	98%	24%	\$28,172	22%	55%	41%	12%
Biddle Street	1475	47%	53%	0%	99%	38%	\$20,772	29%	53%	54%	17%
Broadway East	6835	46%	54%	1%	98%	29%	\$19,653	40%	32%	73%	33%
Darley Park	1550	46%	54%	0%	98%	29%	\$26,875	32%	49%	47%	16%
Dunbar-Broadway	1180	43%	56%	8%	85%	29%	\$12,328	52%	1%	86%	41%
E. BaltimoreMidway	4140	48%	52%	1%	96%	25%	\$27,824	27%	42%	49%	21%
Gay Street	2080	40%	60%	1%	97%	40%	\$12,183	52%	11%	89%	19%
Greenmount West	1310	52%	48%	5%	94%	18%	\$14,091	53%	13%	57%	36%
Johnston Square	2720	46%	54%	1%	97%	40%	\$22,727	30%	22%	68%	24%
Madison-Eastend	2395	45%	55%	5%	93%	32%	\$26,372	35%	56%	40%	21%
Middle East	5420	45%	55%	3%	94%	33%	\$15,493	46%	28%	79%	30%
Milton-Montford	1610	48%	52%	2%	96%	27%	\$25,547	38%	31%	65%	36%
Oldtown	3540	42%	58%	2%	93%	27%	\$9,007	51%	13%	74%	5%
Oliver	5475	45%	55%	1%	98%	28%	\$15,369	42%	32%	67%	25%
Penn-Fallsway	7210	43%	56%	12%	88%	26%	\$2,499	100%	20%	100%	80%
South Clifton Park	1215	44%	56%	2%	97%	32%	\$19,507	37%	42%	74%	18%

Source: Baltimore City Department of Planning, 2002

As of 2000, there were 144 nonprofit agencies located within East Baltimore. The term agency, organization and or institution is not to be used interchangeably with the term service activity. Agencies are the organizations and institutions providing nonprofit services. These agencies provide human services to the six neighborhoods within East Baltimore. Twenty-three percent of nonprofit activities are in the area of services to the homeless, 19% are in the area youth and children's services, 14% housing services, 11% employment and skills training, 11 % ex-convict rehabilitation, 10% services to the elderly, 9% Referral services, 3% aid to the disabled, 2% substance abuse/rehabilitation, 2% skills, and 2% financial assistance. The nature and contribution of these agencies will be discussed in Chapter 4.

DEMOGRAPHIC AND SOCIO-ECONOMIC DATA

For the purposes of the demographic analysis, the data were collected using the 2000 census. Information was gathered on race, gender, age, housing, household income, poverty status, and educational attainment. Data obtained were census tract level data from the short form (100 percent data).

The demographic and socio-economic data is comprised of 29 census tracts or six neighborhood clusters comprising East Baltimore. Hypothesis testing requires information about the East Baltimore population targeted for services as well as an assessment of their perceived needs. Selected indicators from U.S. Census of Population Data (U.S. Bureau of the Census, 2000) for Baltimore City were utilized to analyze spatial patterns and trends and to illustrate the socio-economic characteristics of the study area. These data were analyzed, demonstrating the socio-economic characteristics of the

neighborhoods. Based on the results of this analysis, 6 neighborhoods making up East Baltimore were selected as the study area.

Because the “neighborhood” concept is central to this research, it is important to define the term. A neighborhood is generally thought of as (1) a small residential area (size not exceeding the bounds of easy walking distance), where there is (2) considerable social interaction between neighbors, and probably (3) some degree of social homogeneity (as defined by class, ethnicity, or same physical space, and are likely to have other common interests as well (Independent Sector, 2002). It is recognized that it is virtually impossible to define a set of neighborhood boundaries that satisfies all people for all purposes (Rossi, 1970). It is also recognized that the extent to which a neighborhood is socially organized can vary widely across a neighborhood, and a number of studies have shown that residents of the same area often see the boundaries of their neighborhoods differently. Even so, the concept is important—the neighborhood concept can have important impact (Ellen and Turner, 1997). It is recognized that there can be no all-satisfying way to define neighborhood boundaries. However, the method employed in this research is modeled after national researchers who utilize census tract boundaries as reasonable approximations of neighborhoods (Takahashi and Smutny, 2001; Bielefeld, et al., 1997; Queralt and Witte, 1999) thus operationalizing the neighborhood concept. Census tracts⁷ were initially designed to be sensitive to what are regarded as important physical and socio-economic boundaries, thus maintaining the ideas of what boundaries are.

⁷ U.S. Census tracts are locally-determined geographic units, ranging in size from 2,500 to 8,000 persons. Tracts are meant to approximate “neighborhoods” by capturing a group of residents with similar population characteristics, economic status, and living conditions. Tracts can be used by themselves as units of analysis, or as the building blocks to create larger neighborhood areas.

Census tract data are used to not only represent the neighborhood, but to given insight into the needs of the community. Assumptions are made about basic social service needs in East Baltimore based on socio-economic variables. The selected variables, spanning from 1980-2000, consist of variables that represent neighborhood levels of economic and social resources. The variables were chosen based on previous studies and hypotheses about measures of economic stress, residential mobility and stress on families, and community needs. Social variables of interest are race, age, and gender. Economic variables that reveal something about the social resources within a neighborhood include income, education attainment, housing tenure, housing vacancy characteristics, and poverty rates. The overall grouping of variables represents a neighborhoods characteristics and economic and social resources.

For the purposes of the demographic analysis, the data were collected using the 2000 census. Information was gathered on race, gender, age, housing, household income, poverty status, and educational attainment. Data obtained were census tract level data from the short form (100 percent data).

In addition to the issues surrounding neighborhood boundaries, using census data provided many challenges and has several limitations that warrant discussion. One limitation of the census tract data is the geography of the data. The Census does not collect data at the zip code level. For the purposes of this study, organization service activities were linked to neighborhoods according to their zip codes. Estimates for service activities have been determined for neighborhood services at the zip code level. But in order to examine population denominators for neighborhoods, smaller geographical statistical areas such as census tracts must be used. Zip code areas and

neighborhoods defined by census tracts are not subsets of each other. Although a zip code may be composed of many census tracts, tracts near the zip code boundary may overlap those borders. This is the one area of geography that is not considered in census geography. The census does not collect data by zip code, but does report data at this level.

A third limitation of using census data is that most of the demographic and socioeconomic data were collected from census Summary Tape File 1 (STF1), 100-percent data. These are the official counts and should be used as the source of information on items collected on the 100-percent questionnaire such as race, age, sex, housing tenure and vacancy characteristics. These are the counts tabulated from every census questionnaire. However, the data on education attainment and poverty are from the Summary Tape File 3 (STF3). The STF3 are from the long form questionnaire that was collected from approximately 1 in 6 housing units. These sample data are subject to sampling errors. At the census tract level, there will be differences between sample estimates (STF3) and 100-percent counts (STF1) for population by race, age, gender, housing units by tenure, and poverty. In these cases, derived measures (mean, median, etc.) or percent distributions from census profiles were used. However, it is acknowledged that when using absolute numbers or derived measures for small population groups and for a small number of housing units in small geographic areas, the sampling error associated with these data may be large.

DATA AND SELECTION OF NONPROFIT ORGANIZATIONS ACTIVITY DATA

Presumably, there is no completely reliable listing of private nonprofit organizations that exists for the City of Baltimore. Organizations selected for this study

were generally based on the data that were collected from the 2002 Statistics of Income (SOI) Publication 78 –also referred to as the Exempt Organization Business Master File (BMF) for Maryland. These Internal Revenue Service data are a listing of nearly 20,000 tax exempt organizations that are archived by state are the most recent for these organizations. Available online through on IRS website, the data are produced monthly and include 501 (c)(3) organization’s applications for tax exemption. These data contain address, service activity information as well as exemption status and revenue data for every organization that applied for a tax exemption with the IRS in 2000.

The November 2000 BMF for Maryland is a file of 8,938 tax exempt non-profit entities. The criteria for including BMF nonprofits in the analysis were based on zip code information—that is only organizations having Baltimore City zip codes were included. The process resulted in a total of 993 nonprofit entities of which 175 reported targeting East Baltimore City Residents or were located in East Baltimore.

These data were downloaded from the IRS website and sorted to include only organizations in Baltimore City zip codes. The data were further sorted to include only organizations identified as human services agencies or multi-service agencies that provide services identified as human services according to their form 990 (BMF) data. Secondary sources from three directories of Maryland nonprofits were utilized to gauge the totality of the data and to increase data accuracy. A number of records from the directories were cross-referenced and compared to the IRS data to verify that organizations in the directories were also in the IRS database. The results tended to vary by activity. Almost all of the services to the elderly and employment and skills training were included in the BMF data. While less than 50 percent of the services to the

homeless listed in the List of Food Pantries and Soup Kitchens were not included in the IRS data. This suggested that the IRS database did not include all active nonprofit organizations. Overall, 20 percent more agencies were identified using the sampled directories than were not in the IRS database.

As a result, the data were supplemented by using the local directories of nonprofit services and annual reports to verify the organizations' existence and its service activities. The Maryland Association of Nonprofits Organization Online Membership Directory (2004), published by the Association of Nonprofit Organizations (MANP) was used to verify some of the service activities and address information. However, this method proved to be more difficult than anticipated because the preponderance of organizations did not have membership in MANP. Therefore, other local directories and websites were utilized. The most useful were the List of Food Pantries and Soup Kitchens, Catholic Charities One-Stop, and the Directory of Community Services in Maryland. These directories contained the names, locations, and missions for many organizations that were not included in the IRS data. Also, telephone interviews with program directors, managers or coordinators were conducted to verify the organizations existence and service activities. Staffers were asked three questions about their organization: 1) to confirm date established, 2) to confirm correct address, 3) and if population served/target population was the same?

The final data were examined to eliminate any duplicates, or organizations known to be defunct or any organizations that did not fit the study parameters (e.g. foundations that had been misclassified in the IRS database). The final data set includes 216 nonprofit organizations that offer a total of 496 service activities.

Nonprofit organizations reported their service activities by identifying three primary categories or codes in the BMF. These three digit codes represent a services classification system referred to as the National Taxonomy of Exempt Entities Core Codes (NTEE-CC). The NTEE-CC, is a classification system that divides the universe of nonprofit organizations into 26 major groups under 10 broad categories. The NTEE-CC is a revised version of the original NTEE classification system used prior to 1999. This system used by the IRS, the Urban Institute, Independent Sector, and by many scholars of the nonprofit sector was designed to classify organizations based on descriptive data in an organization's application for recognition of tax-exempt status. However, the NTEE-CC includes approximately two-thirds, or about 400, of the 645 categories in the original NTEE⁸. The major difference in the NTEE-CC is a result of collapsing lesser-used codes.

The NTEE-CC divides nonprofit organizations into types based on their organizational purpose and activities. It uses ten major categories that can be disaggregated first into 26 major groups and then into about 450 categories. Human Services is one of the major categories. The NTEE-CC also uses a system of common codes that describe activities common to nonprofits within a major group areas, for example substance abuse, aide to the disabled, and employment are service activities within the Human Services major group.

For the purposes of this study, the current NTEE-CC Human Services categories were collapsed to streamline the classification system. Some of the human services activities categories were collapsed to eliminate lesser used categories. For example "family services" and "family planning" are two closely related categories that have little

⁸ The complete NTEE manual is available at <http://nccs.urban.org>

representation in the study area data. Only three organizations identify themselves as offering family services and two reported family planning services. The NTEE-CC defines “organizations that provide a wide variety of social services that are designed to support healthy family development, improve the family’s ability to resolve problems, prevent the need for unnecessary placement of children in settings outside the home, comprehensive family support services and services including family life, parent education/parenting skills.” Family planning is defined as assistance for people who want to control the size of their families and the spacing of their children, usually through some form of birth control.” Although these services categories are different, both categories describe services to help families, assist young parents with family development, and provide parenting education and comprehensive services including employment and career exploration programs, life skills, and health education. These similarities justify collapsing the two categories into one.

Another example of combined categories is the “youth activities” and “youth and child services”. The primary motive for collapsing these activity categories is to eliminate service activities that were similar or duplicative. The NTEE_CC defines youth activities as “supervised recreational and social activities for children and youth of all ages and backgrounds, but particularly for disadvantaged youth, through youth-oriented clubs or centers with the objective of building character and developing leadership and social skills among participants.” “Child and youth services” is defined as “a wide variety of informational, social and supportive services for children and youth including runaways and other troubled youth.” Although these categories are

dissimilar, the both engage youth through extracurricular activities and provide opportunities for youth exposure to community resources.

Finally, categories were collapsed to create a more manageable and concise taxonomy. Drawing from the model of service classification (re-classification) established by the National Center for Charitable Statistics (Stengel et al., 1999), Human Services categories for the East Baltimore data were reclassified. The current NTEE-CC Human Services categories in Table 4 were collapsed to exclude categories that provide similar services and activity codes that were hardly ever used. For example, The NTEE_CC categories for homeless services, food services, and clothing were combined and renamed “services for the homeless” because all three categories of services generally aimed at providing services to promote the independence and or aid of Baltimore’s homeless population.

The only way to examine the nonprofit human services sector with its extraordinary breadth of activities and services is to group activities into smaller more manageable groups with similar characteristics. Collapsing the Human Services classification system from 17 categories to 11 categories makes it easier to use and provides a consistent hierarchical logic because entities can be grouped by their major function. In addition, collapsing the categories will avoid having large numbers of categories with small numbers of observations that could compromise any statistical testing. The new classification system in Table 4 is based on the NTEE-CC and serves as the best instrument for nonprofit activity classification for the study area.

Advantages of using Statistics of Income BMF data are that they have already been classified using the NTEE-CC and the BMF data are the most comprehensive data

available. The classification system is multipurpose and can provide as much or as little detail about an organization as needed. However, a problem exists with the rate of coding accuracy. Service activities are self-reported—that is agencies report their major activities on their IRS Form 990 application for tax-exemption. Intermittently, agencies will identify their activities broadly or not at all. In these cases, there may be only one activity code or no identifying codes whatsoever. Also, there is no legal obligation for nonprofits to secure a formal exemption and many organizations apparently do not. In addition, the IRS Form 990 is only required of organizations with \$25,000 or more income.

The comprehensiveness of the NTEE-CC also affects its accuracy and ease of use. For example, the system of common codes that identifies specific organization activities can be confusing because of the similarities in some of the categories. In addition, some of the NTEE-CC groupings represent a compromise between economic and functional taxonomy. The placement of Sports and Recreation inside Human Service, for example, is not consistent with the common definitions of that sector. Also, the Human Services: Multipurpose and Other N.E.C. (not elsewhere classified) category is a “catch-all” category for organizations that don’t logically fit anywhere else. Since the NTEE-CC is focused on organizations that serve a broad public purpose, it would seem that all organizations would fit into one of the designated categories.

Table 4. NTEE Classification of Nonprofit Human Service Activities	
NTEE-CC Classification	New Classification based on NTEE_CC
Aid to the disabled	Aid to disabled
Youth activities	Youth activities and child services
Youth and child services	Housing services
Housing services	Services for the elderly
Services for the elderly	Family services
Financial services	Homeless services
Family services	Employment
Family planning	Ex-con rehabilitation
Employment	Substance abuse
Referral	Referral services
Ex-convict rehabilitation	Financial services
Substance abuse	
Clothing	
Homeless services	
Food services	
Family violence	
Other (goods, money, services to the poor)	
Source: Data compiled by author using IRS BMF data (2000)	

A final limitation of using the Statistics of Income Business Master File is the unavailability of comparable data for 1990 and 1980. As discussed previously, organizations that existed in 1980 and 1990 were identified through interviews and reviewing annual reports and related materials. Although nonprofits provide annual reports on their finances and programs to the IRS on Form 990, it is not feasible to review each and every one. It is believed that one can capture socio-economic and geographic changes by analyzing such information every decade, or at least every decade there is a census. The latter is necessary to determine the specifics of change.

STATISTICAL METHODS

Data analysis utilizes three statistical approaches to test the hypotheses. The first approach utilizes a traditional matrix, which includes information regarding established communities and nonprofit services by type of activity in each community. A map for each service types will be produced for each community. The maps will represent the areas served for a particular service activity. All nonprofit data will be geocoded, a process that uses GIS software⁹ to assign latitude and longitude codes based on address information. for mapping and spatial analytical purposed Some nonprofits could not be geocoded. These groups left blank the address field on their form 990, listed post office boxes that could not be accurately geocoded, or had incorrect address information that could not be identified by the GIS software.

The second method will be the use of percentages, means, and z scores. These techniques are descriptive in nature; however, in the analysis this research seeks to test specific hypothesis with these simple statistics.

⁹ ArcView

The third approach, a more refined and quantitative method involves the factor analytical approach. Factor analysis will be employed to understand the characteristics of urban neighborhoods that most impact nonprofit service delivery in East Baltimore. In areas of impacted poverty, communities will be identified by the factor analysis of socio-economic and demographic data. In that context, neighborhoods will be defined based on variable correlations. Hence, services offered by nonprofits can be matched to communities measured by socio-economic indicators.

Exploratory factor analysis is a variable reduction procedure that allows one to explore the interrelationships among variables in a dataset. In recently published studies factor analysis was used for a variety of applications, including a study determining the types of services that should be offered to college students (Majors and Sedlacek, 2001) and to understand and understand service delivery for Asian-American students in higher education (Liang and Sedlacek, 2003).

It is acknowledge at the outset that the data set size for a factor analysis may be a limitation. However, studies have revealed that adequate sample size is partly determined by the nature of the data set (Fabrigar et al., 1999; MacCallum, et al., 1999). Generally speaking, the stronger the data, the smaller the sample can be for an accurate analysis.

Principal components factor analysis will be utilized to reduce the number of factors to a minimum number of factors that will adequately account for the covariance among the 47 analysis variables. A principal components factor analysis will transform the set of variables into a set of common factors that account for as much variance as possible in the data set. Final communality estimates, the sum of squared loadings for a

variables in an orthogonal variable matrix, will be calculated to determine the proportion of a variables variance and to exclude the error and specific variance that is associated with unique variance (as opposed to correlated variance). A communality is similar to a correlation coefficient, and therefore the magnitude of the loading can be understood similarly.

Two methods will be utilized to determine how many common factor solutions to consider for final interpretation, Catell's scree test and Kaiser rule for eigen values. Liang and Sedeleck (2003) utilize the more recent method of scree testing to determine common factors in their study of the needs of Asian-American students in higher education. However, it is also accepted to use the more traditional Kaiser eigen values (Costello and Osbourne, 2005). In the latter method, any factors with an eigen value of one or greater can be accepted for further analysis. The scree testing is the more subjective and more recent method.

The factor explanations should provide a general understanding of the unique dimensions that exist in the data and the extent to which nonprofit services are based on real and or potential problems. The potential speaks to the demographic assessment, whereas the location of service activities addresses the issues of efficient (minimal) service delivery. Community analysis in areas of impacted poverty will look at a particular service, i.e. substance abuse to identify the number of nonprofits and their locations. The factor solutions can also confirm or reject my hypothesis. Furthermore it will be a first assessment of key issues on data for further analysis. It is expected there

will be more services and an increase in the number of nonprofits in impoverished communities. It is expected there will be more services and an increase in the number of nonprofits in impoverished communities.

CHAPTER 4

AN ASSESSMENT OF HUMAN SERVICES: SERVICE DELIVERY IN EAST BALTIMORE

This chapter, although descriptive in nature, provides the foundation for understanding patterns of human services provided by nonprofits in East Baltimore City and will address the first three components of the human service delivery model. The purpose of this chapter is threefold. The first component determines neighborhood service needs by utilizing neighborhood characteristics to represent levels of neighborhood distress—analyzing neighborhood characteristics will identify potential clients and their service needs. The second component examines the response of nonprofit organizations by assessing the distribution of service activities within the neighborhood. And the third component addresses the quantity of service activities. Examining potential client characteristics, their service needs, locations, and quantities of service activities will identify gaps and duplications in service activities. Services are analyzed within the social and economic context of the abject poverty and homelessness that pervade East Baltimore neighborhoods and that produce either *service rich* or *service poor* neighborhoods. This research is discussed using one main approach: number of services and distribution of services by field of activity rather than agency expenditures or numbers of clients. Mapping the spatial distribution of nonprofit services will allow for a preliminary analysis of nonprofits in East Baltimore neighborhoods—possibly identifying some pattern of services and service delivery.

*COMPONENT ONE: SOCIO-ECONOMIC INDICATORS AS SURROGATES FOR
NEIGHBORHOOD NEEDS*

Nonprofit activity is measured by the number of services provided by organizations, not the number of organizations. As the literature suggests, there is a wide range of variables influencing service delivery by nonprofit organizations and perhaps indirectly shaping the level of human service activity in a given neighborhood. According to the literature, neighborhoods with lower socio-economic status, as measured by high poverty rates, low median household income, the proportion of households receiving public assistance, and high unemployment rates, are expected to be associated with lower levels of nonprofit human service activities. Also, neighborhoods with low levels of diversity (i.e., lower proportion of White residents), higher proportions of renters, more single female-headed households, and households with higher proportions of persons over sixty will have lower numbers of service activities.

Poverty

Poverty is widespread in six East Baltimore neighborhood clusters. As shown in table 5, Greenmount East, Madison-Eastend, Clifton-Berea, Hopkins-Middle East, Monument Street, and Oldtown Area range between 7 and 17% of the population living below the poverty level. Oldtown Area has the lowest rate at 6.7 percent, while Monument Street has the highest rate at 17 percent. The poverty rate for Maryland is only 2.4 percent and less than 1 percent for Baltimore County. Of the 29 census tracts comprising East Baltimore, only two are not classified as poverty areas, that is, census tracts where at least 20 percent of residents live below the poverty level (U.S. Census,

2000). Poverty is especially widespread in Hopkins-Middle East and Oldtown Area where the poverty level reaches 45 and 47 percent, respectively. These tracts are considered to be in “extreme poverty,” also referred to as “neighborhood poverty,” that is, census tracts where the poverty level exceeds 40 percent (Jargowsky, 2003). These data suggest that most, if not all, the neighborhoods within the study area have a dire need for services that address poverty and quality of life. Furthermore, the data suggest that services might be distributed throughout the neighborhoods to tackle ubiquitous poverty.

Household Median Income

Poverty areas in East Baltimore have high concentrations of poor persons and working poor who hold low skill-low wage jobs. But that doesn't mean that *everyone* living in them is poor. One census tract in Oldtown Area-Jonestown, for example has a median income as high as \$39,706—double the average median income for the tracts comprising the community (table 5). However, 24 percent of the residents in that particular tract live below the poverty line. Workers living in poverty areas earned an average of only \$20,387.33 during 2000, much less than the \$29,260.50 earned by those living outside of these poverty areas.

Overall, East Baltimore has a median income of \$12,373—significantly lower than Baltimore City and half the median income of Baltimore County and Maryland. Monument Street has the highest median income at \$28,288 while Oldtown and Hopkins Middle have the lowest at \$14,034 and \$15,034. These data suggest that services—in particular financial assistance services—might be concentrated in neighborhoods with low median income.

Unemployment

In addition to low wages, unemployment is another significant issue. The unemployment rate for Baltimore City in 2000 was 6 percent. The rate is slightly higher for East Baltimore at 8 percent. Table 5 shows that the unemployment rate nearly doubles for Greenmount East and Clifton Berea. With rates of 11 and 10 percent, they have an appreciably higher unemployment rate than Baltimore City and East Baltimore. Conversely, Oldtown and Monument Street both have lower rates. Oldtown, with 3.7 percent unemployment, has nearly half that of Baltimore City. The unemployment rate by sex appears to be nearly the same for males and female in East Baltimore on the whole. There is only a one percent difference between males and females. However, at the individual neighborhood level, it is revealed that males are unemployed at a much higher rate than females. In all neighborhoods except Monument East, males are unemployed at higher rates. While overall high unemployment is a problem in East Baltimore, there are some areas where unemployment is nearly as low as the state average of 3.2. These data suggest that employment services might be concentrated in areas with high unemployment rates. In particular, one would not expect to find a concentration of employment services in Monument East—an area of extremely low unemployment.

Table 5. Selected 2000 Comparative Income, Poverty, and Unemployment Data

	Median household income (\$)	Receive Social Security Income (%)	Receive Public assistance income (%)	Receive Retirement income (%)	Percent below poverty level (%)	Population unemployed male (%)	Population unemployed female (%)	Unemployment (%)
Greenmount	19291	39	11.3	10.4	37	12.25	10.09	11
Madison Eastend	24887	24	12	11.8	36	11.34	9.6	10.3
Clifton-Berea	26688	27	10	15	34	9.4	5.5	7.28
Hopkins-Middle	15034	27	11.8	17.1	45	12.22	7.6	9.6
Monument Street	28288	32	17.3	19.1	23	2.9	6.3	4.8
Oldtown Area	14063	24	6.7	11.65	17	4.5	3	3.7
East Baltimore	21373	28.8	11.5	14.1	32	8.7	7.15	7.78
Baltimore City	30078	26.4	7.2	17	22 *	*		6
Baltimore County	50667	27	>1	20	6.5 *	*		2.7
Maryland	52868	23	2.4	18	8.5 *	*		3.2
*data not available								
Source: Data compiled by author from 2000 U.S. Census data								

Table 6. Selected Comparative Household Data, Census, 2000							
	Total Population	Males (%)	Females (%)	Median Age	Average family size	Total Pop Over 25 (%)	Households with one or more people 60 years and over (%)
Greenmount	19934	48	52	35	3	65	21
Madison Eastend	8400	48	56	28	3.4	57	25
Clifton-Berea	12429	45	55	36	3.6	63	34
Hopkins-Middle	5164	42	58	30	3.5	60	42
Monument Street	8688	48	52	39	2.3	34	43
Oldtown Area	15380	48	52	33	2.5	70	24
East Baltimore	69995	49	51	30	2.9	63	32
Baltimore City	651154	47	53	36	3.15	64	17
Baltimore Count	754292	47	53	38	2.5	68	19

Education

All six neighborhood clusters have considerably lower levels of education than Baltimore City and Maryland. Table 7 shows twice the East Baltimore residents do not have a basic high school diploma level education. Only 16 percent of Maryland residents are without a high school diploma compared to nearly half, 48 percent, of residents in Clifton-Berea. Hopkins-Middle appears to have a slightly higher level of education with 38 percent of residents lacking a high school diploma. Breaking these statistics down by sex, it appears that males are high school graduates at a slightly higher rate than females.

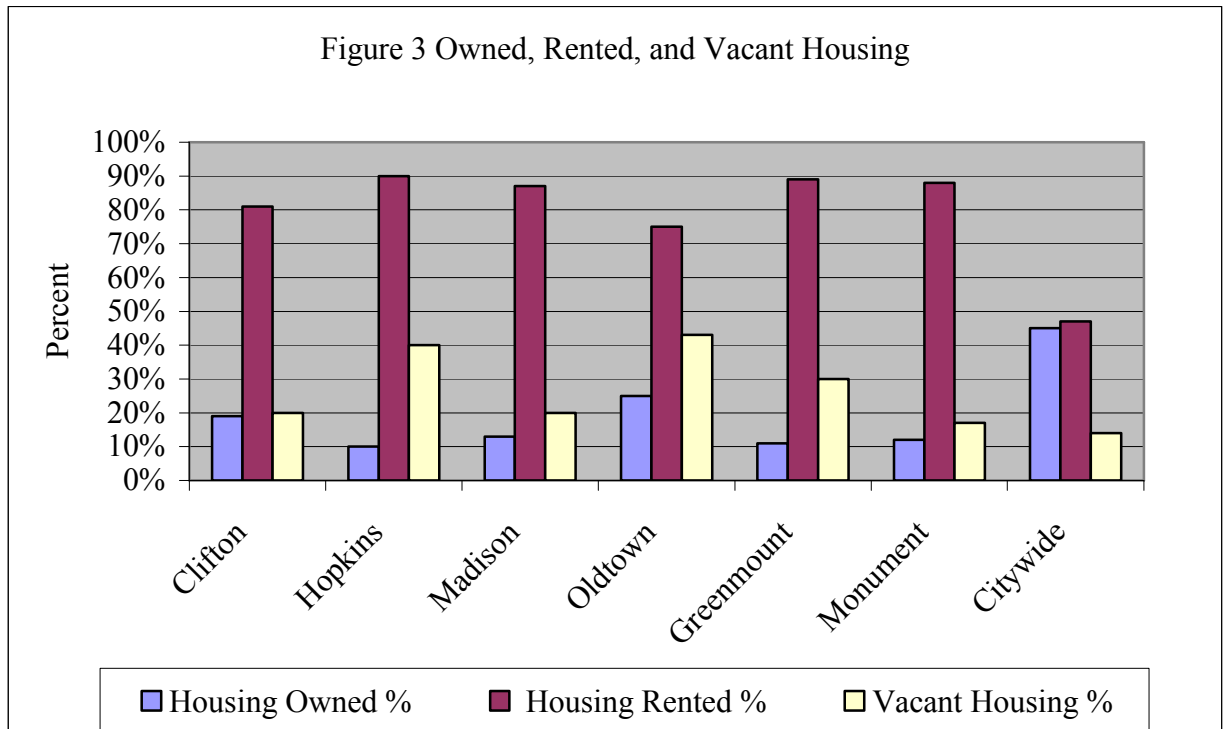
Table 7 Education Population 25 Years and Older					
Neighborhood cluster	No high school diploma (%)	High school graduate males (%)	High school graduate		Bachelor's degree (%)
			females (%)	Associate degree (%)	
Greenmount	45	32	30	3	6
Madison Eastend	44	38	32	<1.0	4
Clifton-Berea	48	29	34	2	3
Hopkins-Middle	38	37	32	1	6
Monument Stree	44	27	26	<1.0	2
Oldtown Area	40	35	31	3	8
East Baltimore	43	33	31	2	4
Baltimore City	25	4	3	4	2
Source: Data compiled by author from 2000 U.S. Census data					

Housing

East Baltimore city has among the most modest rents and the highest vacancy rates in the city. Figure 3 shows that over seventy-five percent of residents in all six neighborhood clusters rent their housing. The percentage renting is as high as ninety percent in Hopkins- Middle East—double that of city residents. Accordingly, home

ownership is low, ranging from 10 to 25 percent—considerably lower than the 45 percent of city residents who own their homes. While vacancies are noticeably higher in Hopkins-Middle East, Oldtown Area, and Greenmount, ranging from 30 to 42 percent, rates for Clifton-Berea, Madison-Eastend, and Monument Street range from 17 to 20 percent and are comparable to the city’s overall 14 percent vacancy rate. The data suggest that housing issues for East Baltimore City residents may be of concern. Also, these data suggest that services that address affordable housing, home ownership, and neighborhood development—both physical and economic—should be available in all six neighborhood clusters.

In particular, services to improve housing or provide access to decent and affordable should be located in or close to Madison-Eastend, and Greenmount due not only to the high percentage of renters, but also due to the high percentage of vacancies and abandoned housing. Housing vacancies and abandonment represent neighborhood blight and contribute to other negative neighborhood effects. Abandoned buildings become refuges for drug and other criminal activities that affect the well-being of neighborhoods.



Age

The data suggest that by and large a considerable segment of East Baltimore is below the median age. For example, 28 is the median age for Madison Eastend—seven years younger than the median age for Baltimore City. The median age for East Baltimore is five years less than Baltimore City’s and seven years less than Baltimore County’s. Such a youthful population coupled with high unemployment, low median incomes, and entrenched poverty suggest that as the population ages there will be a substantial need for various services. Furthermore, as the population ages, they will place a particular strain on services for the elderly. Conversely, Monument Street with a median age of 39 and Clifton Berea with a median age of 36 both have older age structures. Both these neighborhoods also have a higher percentage of households with persons over 60 years of age—Monument Street as high as 43 percent. That is more than

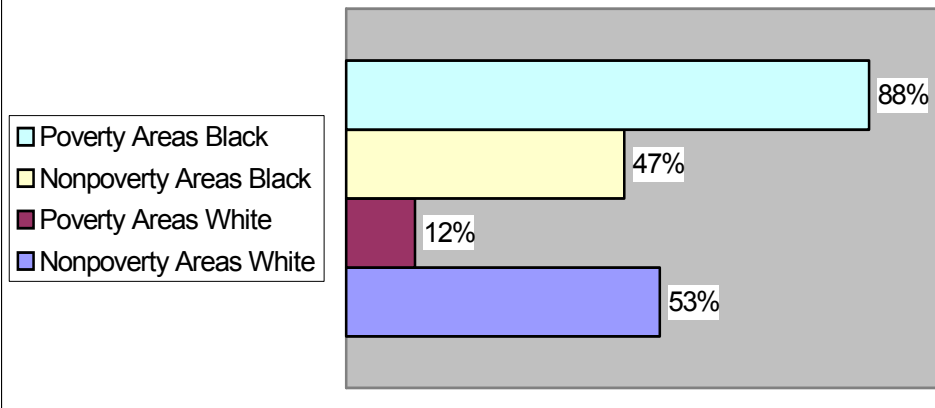
twice that of Baltimore City and Baltimore County. The prevalence of an older population suggests that services for the elderly would be present in these two communities. Also related to an older age structure, 29 percent of East Baltimore receives Social Security Income—as high as 39 percent in Greenmount and 32 percent in Monument Street—while only 14 percent overall have any retirement income. These data suggest that an elderly population in East Baltimore could possibly be in need of various services comprising housing assistance to supplemental income and food services.

Neighborhood diversity

Poverty areas tend to have a different racial make-up than neighborhoods that have lower percentages of poverty. Neighborhoods like Hopkins Middle, Madison-Eastend, Oldtown, Clifton, and Monument, where the population is more than 50 percent Black, tend to be poverty areas (table 8). Neighborhoods where Whites made up more than half of the population, e.g. Monument Street where whites made up nearly 90 percent of the population, tend to be non-poverty areas. Over 80 percent of the census tracts in the neighborhoods in the study area are 85 percent or more Black (table 8). However, the census tracts of Monument Street and one tract in Oldtown are predominately non-Black tracts (table 9). These tracts tend to have higher median incomes and lower rates of poverty. Twice as many Black residents live in poverty areas than live outside them (figure 4). These data suggest that Black residents in East Baltimore are more likely to have high rates of poverty. This suggests that services geared to eradicating poverty should be prevalent in areas most affected by poverty.

Table 8 Population by Race %		
	Black	Non Black
Greenmount	92	8
Madison Eastend	94	6
Clifton-Berea	99	1
Hopkins-Middle	95	5
Monument Stree	88	12
Oldtown Area	85	15
East Baltimore	78	22
Baltimore City	65	35
Baltimore County	20	74
Maryland	29	64
Source: Data compiled by author from 2000 U.S. Census data		

**Percent Distribution of East Baltimore Residents
Living inside Poverty Areas and Percent Distribution
of those Living Outside Poverty Areas by Race: 2000**



Source: Data compiled by author from U.S. Census, 2000

Table 9. Census Tracts That Are 75% Or More Black

Tract Number	Neighborhood	Non-Black (%)	Median Income (\$)	Below Poverty (%)
2604.04	Monument Street	26%	31,000	23
2605.01	Monument Street	8%	29,000	14
2607	Monument Street	9%	24,000	32
3.02	Oldtown	20%	39,000	24

Source: Data compiled by author using 2000, Census data

Single Female-Headed Households

The average family size is 2.9 persons in East Baltimore (table 6). This is slightly lower than the city and state average. However, nearly one third of all East Baltimore households are families headed by a single female. This is higher than Baltimore City's 23 percent and twice that of Baltimore County's and Maryland's mere 14 percent. Even more striking is Madison Eastend's and Clifton-Berea's rates as high as 47 and 41 percent. Perhaps these data suggest that among general service needs there would be a dire need for child and youth services in neighborhoods where more than one-third of households is headed by a single woman.. In contrast, Monument Street's rate of single female-headed households is lower than that of Baltimore City, Baltimore County, or the state. The data on Monument suggest that it is an aging community (43 percent of families have one or more persons 60 years old or older) with fewer children. This could explain the paucity of single female-headed households.

Children Living in Poverty

In 2005, the Annie E. Casey Foundation released its *Kids Count* data book, an annual study that monitors the well-being of children in the U.S. Half of the statistics used to determine trends are federal and state data from 2002, and the other half are from the Census Bureau's 2003 American Community Survey. These data, while not an exact picture of conditions in 2005, still provide a more accurate representation of the current situation facing children than does the decennial census data from 2000.

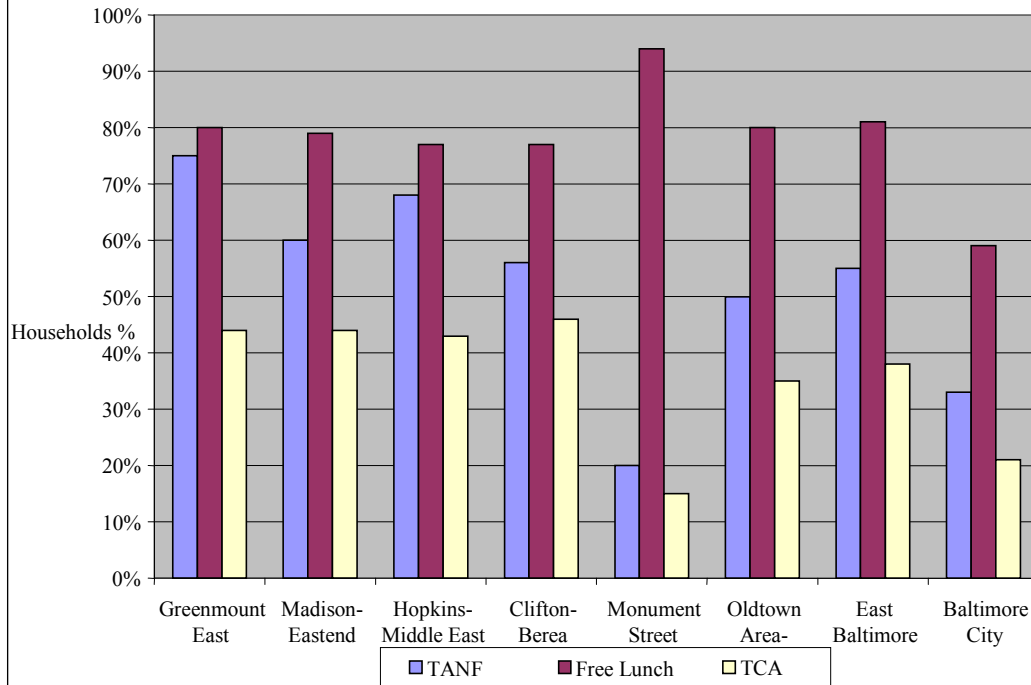
According to statistics compiled by the Annie E. Casey Foundation (2004), thirty-five percent of Baltimore's children live below the poverty line, compared to just 11 percent statewide and 18 percent nationally. Nearly 22 percent of the city's children are

without a parent in the work force—that's more than three times the state average.

Thirty-three percent of families with children receive Temporary Assistance to Needy Families (TANF), and 21 percent received Temporary Cash Assistance to ameliorate their impoverished condition. Poverty intensifies the problems that children face on a regular basis. For example, children living in areas of concentrated poverty often confront crime and drugs, or parents who use drugs, more often than kids living in more affluent communities (Casey Foundation, 2005). Additionally, their families may not be able to afford such basic necessities as proper health care, healthy food, or school supplies.

More than 17,000 children live in East Baltimore where 32 percent of households are single female-headed households and 32 percent are households living below poverty level. Over 50 percent of all neighborhoods, with the exception of Monument Street, received TANF in 2003. At least 33 percent of all households received Temporary Cash Assistance (TCA) and as high as 94 percent participate in Free Lunch programs (figure 5). Both the percentage of families participating in TANF and TCA assistance programs is 20 percent higher for East Baltimore than Baltimore City overall. These data suggest that the need for human services, especially those specific to children and families, would be apparent throughout most of these neighborhoods.

Figure 5 Households Receiving Children and Family Assistance Programs



The Problem of Homelessness

Exacerbating the problem of poverty in the city is homelessness. In January of 2005, Baltimore Homeless Services, Inc. and the Center for Poverty Solutions collaborated with other service providers to conduct a census that counted 2,943 individuals who were homeless in Baltimore City. Five to ten percent of persons living below the poverty line are homeless (Baltimore Health Department, 2005).

Homelessness is defined as an individual who lacks a fixed, regular, and adequate nighttime residence, excluding shelters or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., a car). It is estimated that between 3,000 and 4,000 individuals fit this definition on any given night in Baltimore City (Baltimore Homeless Services Inc, 2005).

People become homeless due to loss of income after employment, lay-offs, lengthy illnesses, or the inability to afford market rent housing. According to the Maryland Department of Housing and Community Development (2003), a person receiving minimum wage would have to work 122 hours per week to afford a one-bedroom apartment at fair market rent. Also, chronic illnesses including substance use disorders and persistent mental illness create additional challenges in resolving homelessness.

Based on the U.S. Census statistics regarding poverty, unemployment, and income, there is an overwhelming need for human services in East Baltimore. The socio-economic and demographic indicators associated with homelessness suggest that individuals and families in East Baltimore neighborhoods are likely to:

- have low household income
- have high unemployment rates—in particular Black males
- be Black
- be younger
- have high rates of single female-headed households
- are less educated
- rent their homes
- have smaller family size, but for the most part are headed by single females
- be racially isolated
- have high rates of poverty
- be more likely to receive assistance from government or other programs.

Some services are provided by local and federal government agencies, private institutions, and nonprofit entities. However, there may be some unmet needs for poor and or homeless populations. Of particular interest is human service provision by the nonprofit sector because of the increasing presence of nonprofit entities in the provision of human services. The following is an attempt to assess the opportunities for service provision within East Baltimore, an area plagued by irrefutable social and economic ills.

Neighborhoods needing human services or high risk neighborhoods are typically areas of concentrated poverty characterized by abandoned and deteriorated properties, high rates of unemployment, young single parent households, and low-performing educational systems. Additionally, crime, adolescent delinquency, alcohol and drug abuse, and family breakdown contribute to the deterioration of the neighborhood

(Sampson, 2001; Sampson, et al., 2002). While it is generally true that people who live in low-income neighborhoods experience more adverse social and economic conditions than their counterparts in affluent neighborhoods, it is acknowledged that not all low-income neighborhoods are alike. However, the aforementioned characteristics speak to the potential need for human services in such neighborhoods. It is acknowledged that the variables are not all-inclusive but are a start for neighborhood assessment of need. Other factors, such as crime rates and substance abuse rates, that are not available at the census tract level will be discussed and included in the following chapter.

COMPONENT TWO: AN ASSESSMENT OF NONPROFIT SERVICES IN EAST BALTIMORE

Possibly the most outstanding characteristics of East Baltimore's nonprofit human service sector is its diversity. There are a total of 67 nonprofit entities providing 144 human services in one or more of eleven service activity categories. Figure 6 shows the distribution of service activities by category. Nonprofit human services are offered to improve the quality of life for city residents in many ways:

- Nearly one-quarter of all services provide some kind of assistance to homeless populations
- Eighteen percent of services provide assistance and programs for youth
- More than 13% percent of services are geared toward persons needing assistance with affordable or low income housing and community improvement associations
- Twelve percent of services are focused on elderly populations and referral services.

Figure 6. Distribution of Nonprofit Service Activities in East Baltimore (N=144)

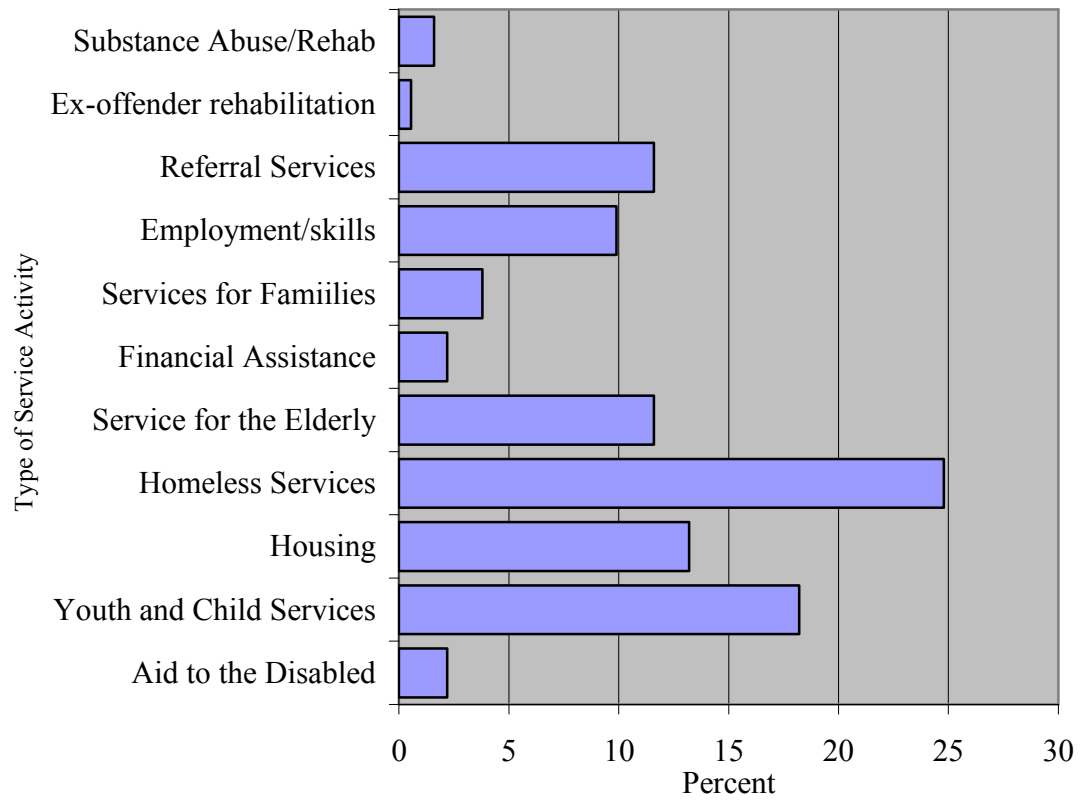


Figure 7 illustrates the distribution of human service activities offered by field of activity.¹⁰ The most distinctive pattern is the dominance of the homeless and housing sector which includes emergency, temporary, and transitional housing as well as food and nutritional services. Nearly 25 percent of services are geared toward assisting residents who are either homeless or are seeking housing assistance of some kind (figure 7)

The second largest component of nonprofit services is youth services, including but not limited to daycare, recreational programs, foster care and shelters, educational programs, juvenile justice services, and youth employment (figure 8) These services make up nearly one quarter of all services offered in East Baltimore.

The third most common service activity of East Baltimore nonprofits is in the area of housing services (figure 9). Twenty-four percent of organizations reported engaging in activities to provide assistance with affordable and low-income housing, housing for elderly and disabled, emergency and crisis intervention (shelters), temporary and transitional housing, community development, and homebuyer education and counseling.

The fourth largest service category is services to the elderly (figure 10). Twelve percent of service activities are residential facilities for older adults who are unable to function in an independent living environment because they need assistance but do not require nursing care on a regular basis. Such assisted living facilities for seniors continuing care retirement communities, life care communities and multipurpose centers that offer, at a single location, a wide variety of services and activities that are needed by and of interest to the senior population. Also included are organizations that administer funding for senior services under Title III of the Older Americans Act

¹⁰ All neighborhood maps representing the eleven human service categories can be found in Appendix I .

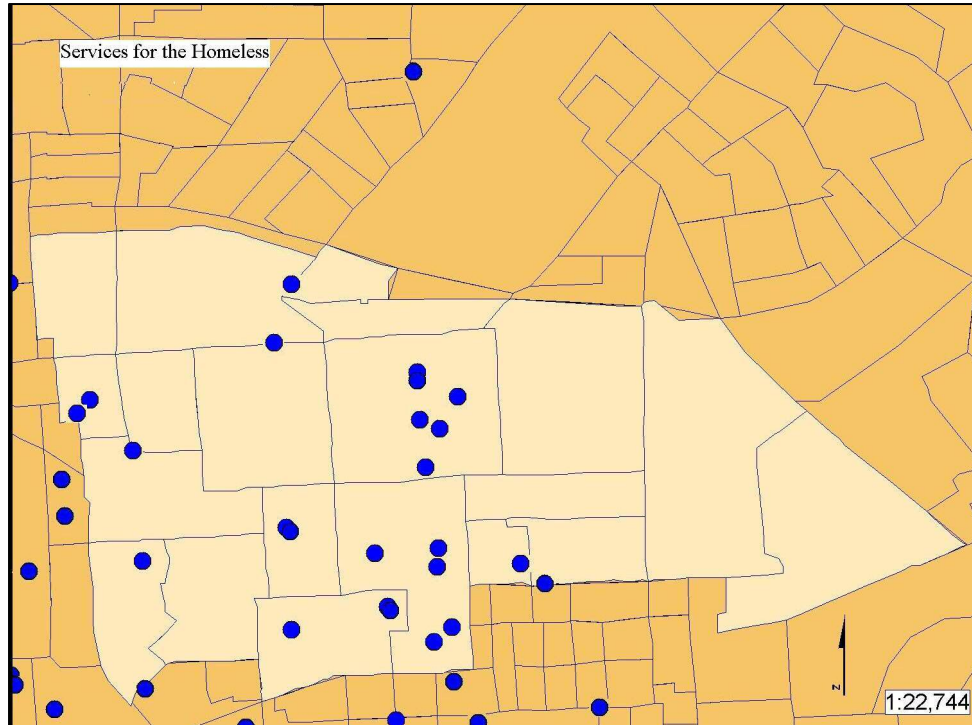


Figure 7 Map of services for the homeless

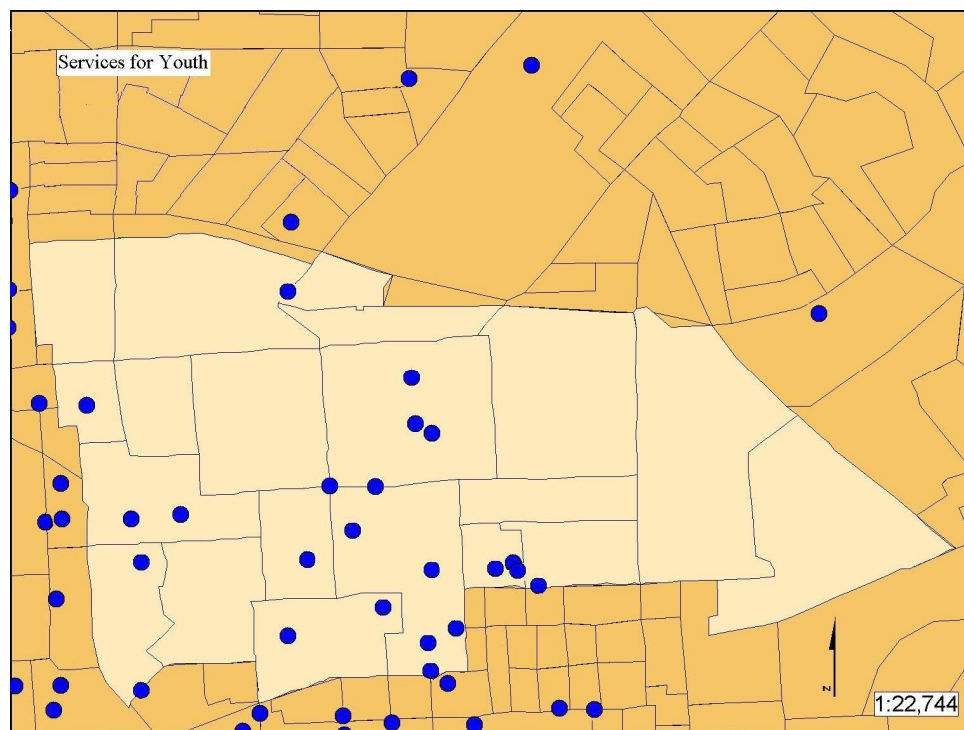


Figure 8 Map of service for the children and youth

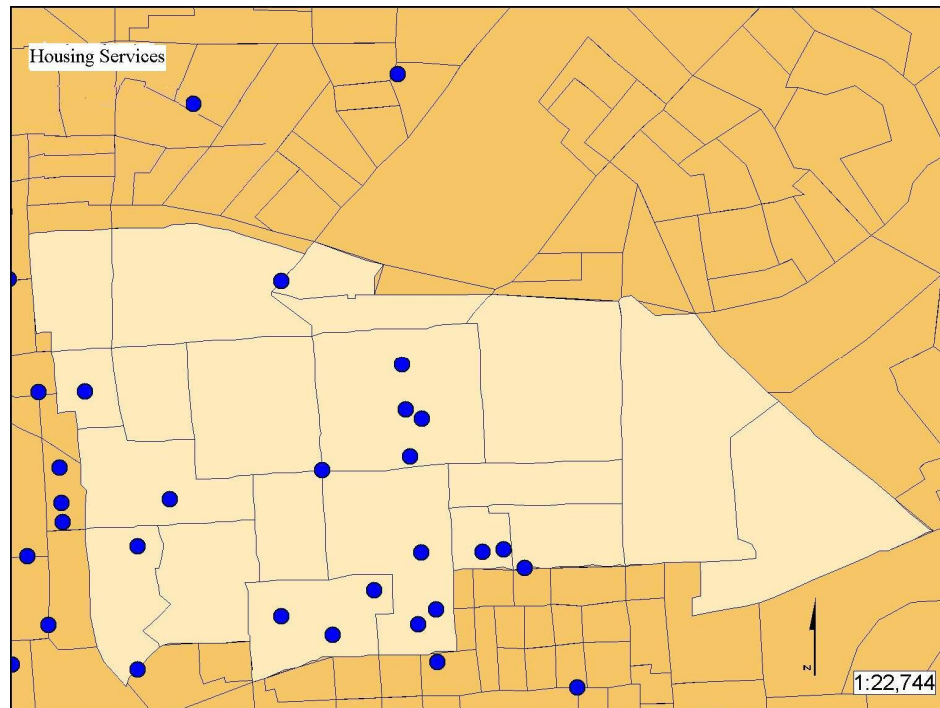


Figure 9 Housing assistance services

By and large, human services are dominated by services for the homeless, youth and children, housing, and the elderly. Taken together, these four activities account for 68 percent of all nonprofit human services in East Baltimore. The frequency of these services is an indication of the importance of addressing poverty among adults and children, affordable and decent housing, the wellbeing of youth in neighborhoods, and the needs of an aging population. Services for the homeless, youth and children, housing, and the elderly appear to be on target in addressing neighborhood needs. The emphasis on homelessness, youth services and activities, and the elderly implies that there is a appropriate awareness among nonprofit organizations of such issues. It appears that nonprofits in East Baltimore are focusing on these areas.

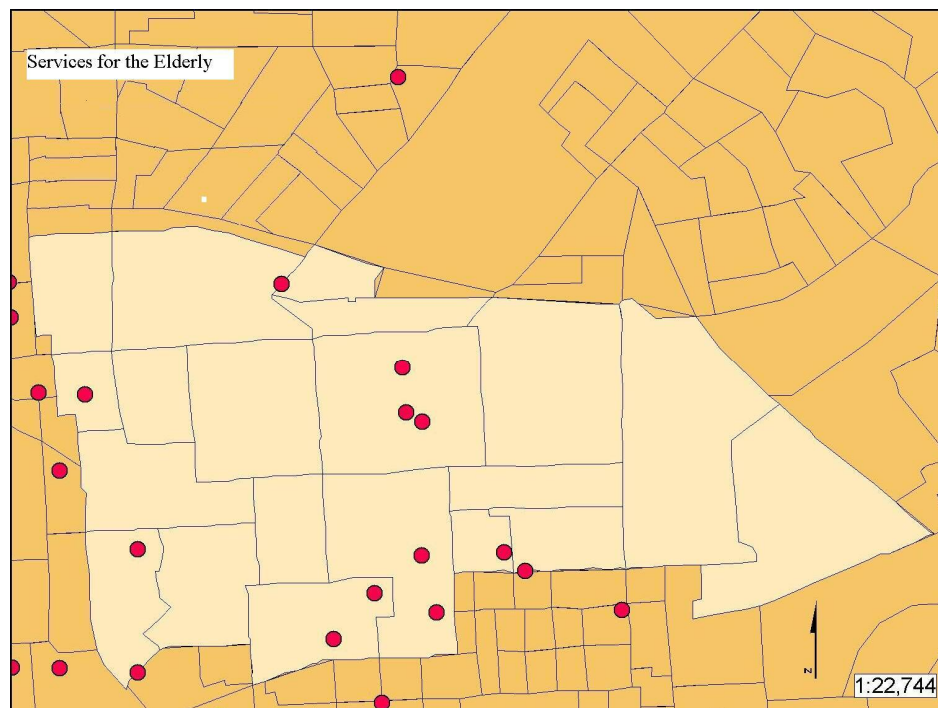


Figure 10 Services for the elderly

The least dominant service activity appears to be in the area of substance abuse (figure 11) and ex-offender rehabilitation (figure 12). Taken together, only four percent of all services activities are represented. These data suggest that there is little or no need for substance abuse or ex-offender rehabilitation services. Although there is no census data available on drug abuse, addiction, or crime, studies suggest that crime (Baltimore City Department of Planning, 2006) and drug use (Baltimore Department of Health, 2003; Substance Abuse and Mental Health Services Administration, 2002) are major issues in East Baltimore—these issues will be discussed in chapter five.

While agencies offer a variety of service activities, many of the nonprofit agencies offer services in more than one area. Of all the nonprofit human service agencies in East Baltimore, 41 percent report offering services in three or more areas, and 56 percent offer services in two or more areas. It is suspected that the rate of agencies providing multiple services is actually higher than calculated due to the nature of self-reporting. Frequently agencies do not accurately report the variety of services provided on the IRS Form 990. When agencies were called or cross-referenced in service directories or when their websites were reviewed, they actually list more service activities than on the Form 990. It is believed that organizations have transitioned to multi-service agencies for the following reasons:

- To improve core functions, such as executive staff and board leadership, financial management, human resources, technology, and marketing
- To provide more effective services at less cost
- To holistically serve clients

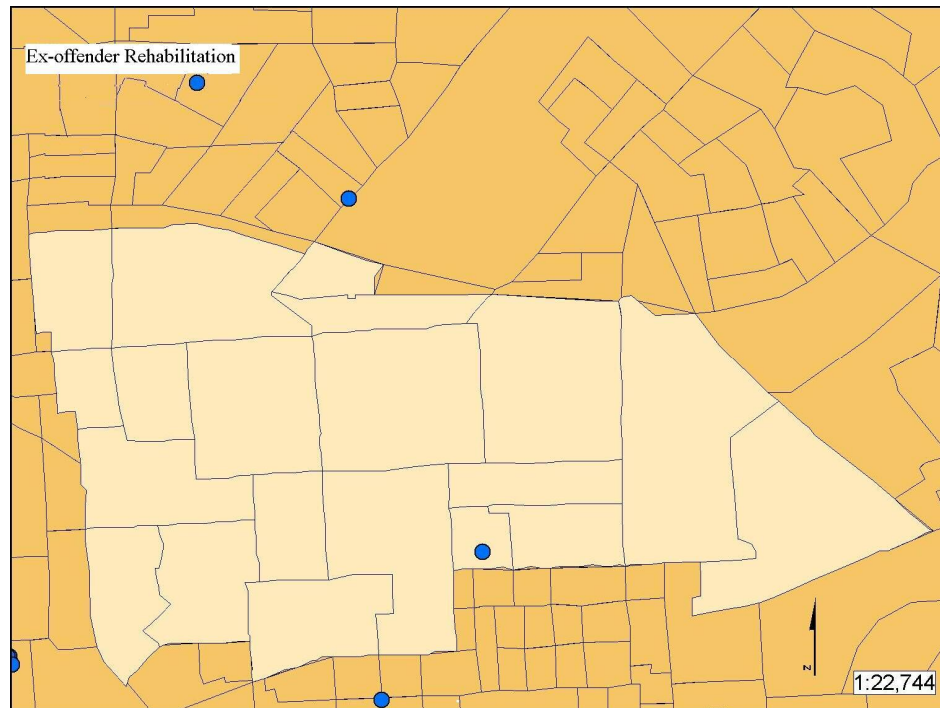


Figure 11 Ex-offender rehabilitation services

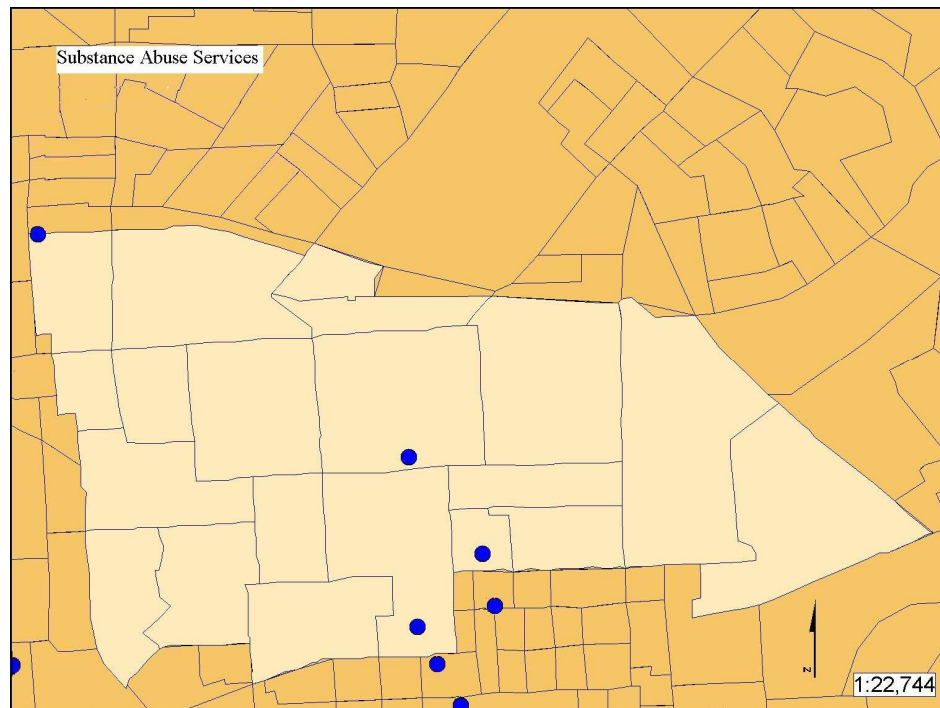


Figure 12 Services for substance abuse rehabilitation

Based on the proportion of service activities provided, nonprofits appear to be meeting the needs of East Baltimore in the following areas: homeless and transitional housing services, youth services and programs, housing assistance service, and services for the elderly.

Number of years in the neighborhood

The nonprofit sector providing services to East Baltimore is composed of mostly young organizations. Figure 14 shows that over 70 percent of organizations in East Baltimore have been established less than twenty years. Nearly a quarter of organizations have existed for more than twenty years. The data suggest that older organizations may be leaving the city, perhaps for the suburbs or other locations. Young organizations appear to be filling a service void, or they may be responding to emerging social concerns.

The distribution of young agencies, less than 20 years in existence, is not uniform across service activities, however. Rather, some services activities have larger shares of young agencies than others. In particular, as shown in figure 15, particularly large shares of young service agencies are apparent in homeless and youth services. The data suggest that these two areas are more prominent, that is, society has a heightened awareness of issues that these services address. For example, as single female-headed households increased in the 1990s, daycare centers, recreation centers, and after-school programs have increased to support working single mothers.

Older organizations, 20 years or older, usually larger nonprofits such as religious organizations like the Salvation Army, are often prominent in urban areas. However, as is discussed in the following section, many larger organizations that provide services to the community operate from outside the neighborhood.

Figure 6. Distribution of Nonprofits by Year of Establishment

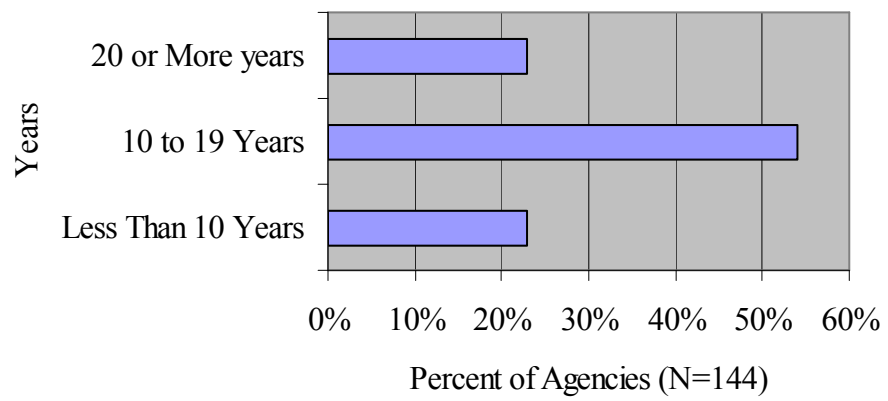
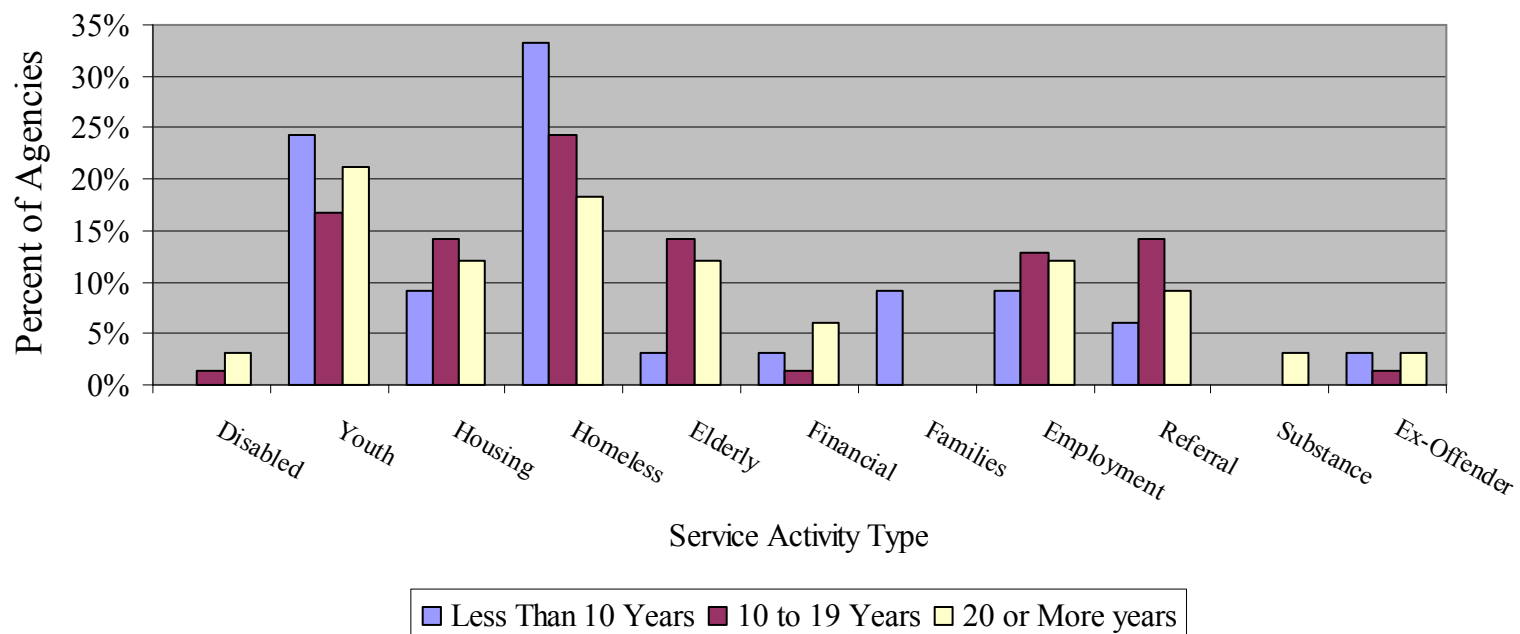


Figure 14 Distribution of Service Activities by Year of Establishment



Distribution of Human Services

Figure 15 shows the distribution of all nonprofit entities that reportedly target six neighborhoods that comprise East Baltimore neighborhoods. Ninety-three percent of all the nonprofit organizations offering human services are located within Baltimore City.

Figure 16 shows nonprofit organizations located in Baltimore County. I highlight these service providers because they identify themselves as targeting East Baltimore for services despite their remote locations. The remote locations of such service providers suggest that there are location factors other than close proximity to clients, factors such as issues of scale. Some service activities benefit from economies of scale and are provided through a single large facility that serves many users in an entire metropolitan region. The Salvation Army's youth services serve as an example; specifically, they provide summer camp programs for children ages 5-16. Others are more efficiently dispersed throughout small satellite or independently operated offices (e.g., day care centers).

Other examples of remote nonprofit entities targeting East Baltimore are shown in table 10. The Greater Baltimore Urban League, Maryland Food Bank, Light of Life Ministries, Learning Independence through Computers, and Collington Square Re-entry Program are located in Baltimore County. These organizations provide services in all eleven activity categories including the underrepresented services for ex-offender rehabilitation, substance abuse, financial assistance, and aid for the disabled. These service activities are not included in the neighborhood counts because they did not have an East Baltimore postal code.

Some nonprofits require a single site for carrying out all their activities (e.g., Helpin Up Mission) while others may need a network of satellite facilities (e.g.,

Table 10. Suburban Nonprofits Targeting East Baltimore		
Organization name	Purpose	Service activities
Salvation Army	Summer residential and day camp provides summer camp programming for children ages 5-16	Youth services
Collington Square Re-entry Program	Ex-offender transition program	Ex-offender services
Jubilee Baltimore Inc.	Neighborhood development specializing in high-quality affordable senior housing with strong partnerships in Baltimore's waterfront neighborhoods. Does not serve East Baltimore.	Housing and community development
Joseph Center	An organization that provides appropriate activities and services to benefit the personal development and quality of life of older people and to support their ability to live independently	Services for the elderly
Light of Life Ministry	Religious organizations	Homeless/Food Services
Learning Independence Through Computers Inc.	Computer resource center that provides opportunities for people with disabilities to explore adaptive technology, computer systems, software, and the Internet	Service for aid to the disabled
Maryland Food Bank	Food bank serving the entire state	Homeless services

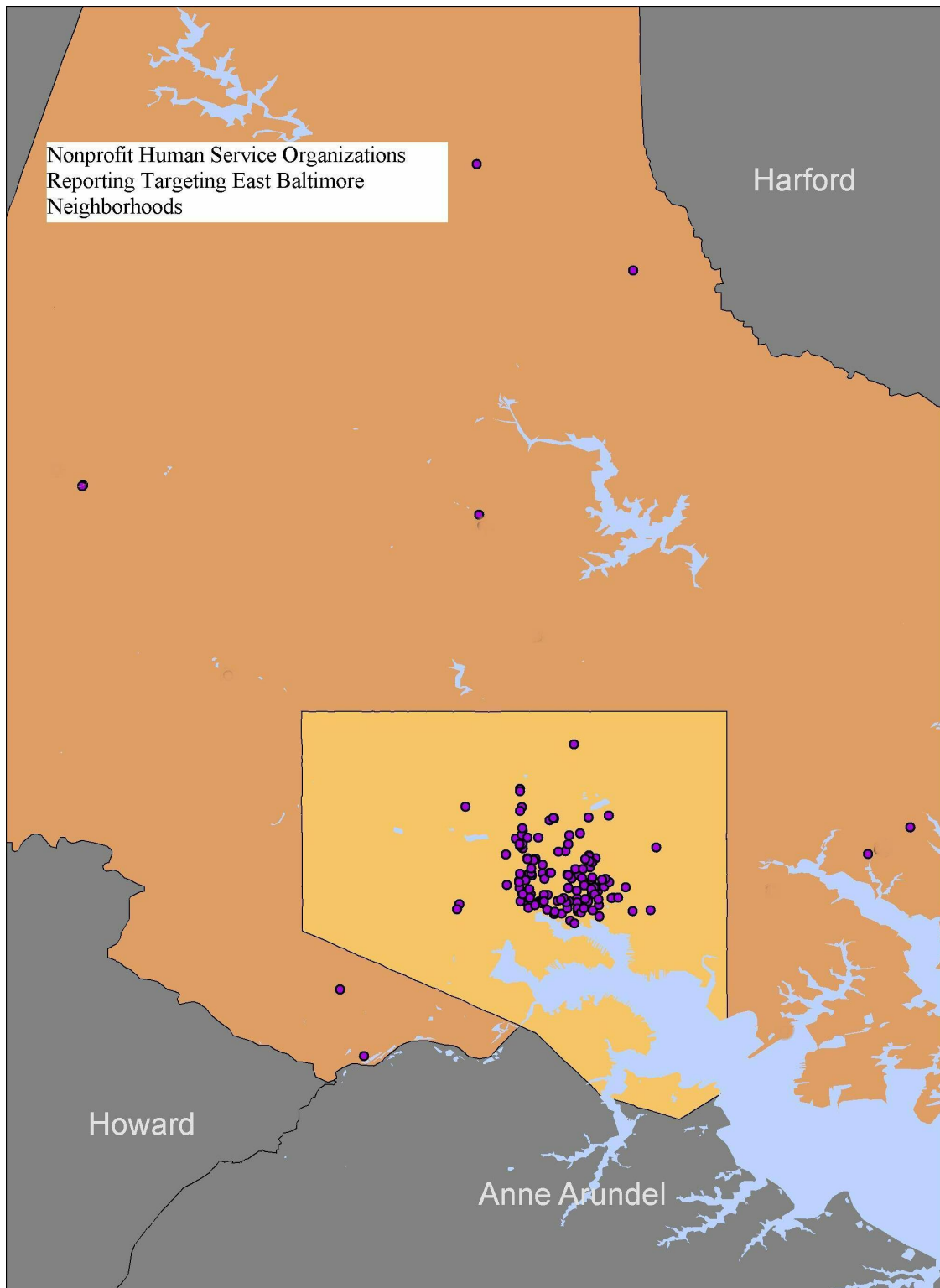


Figure 15 Nonprofit human service organizations targeting East Baltimore Neighborhoods

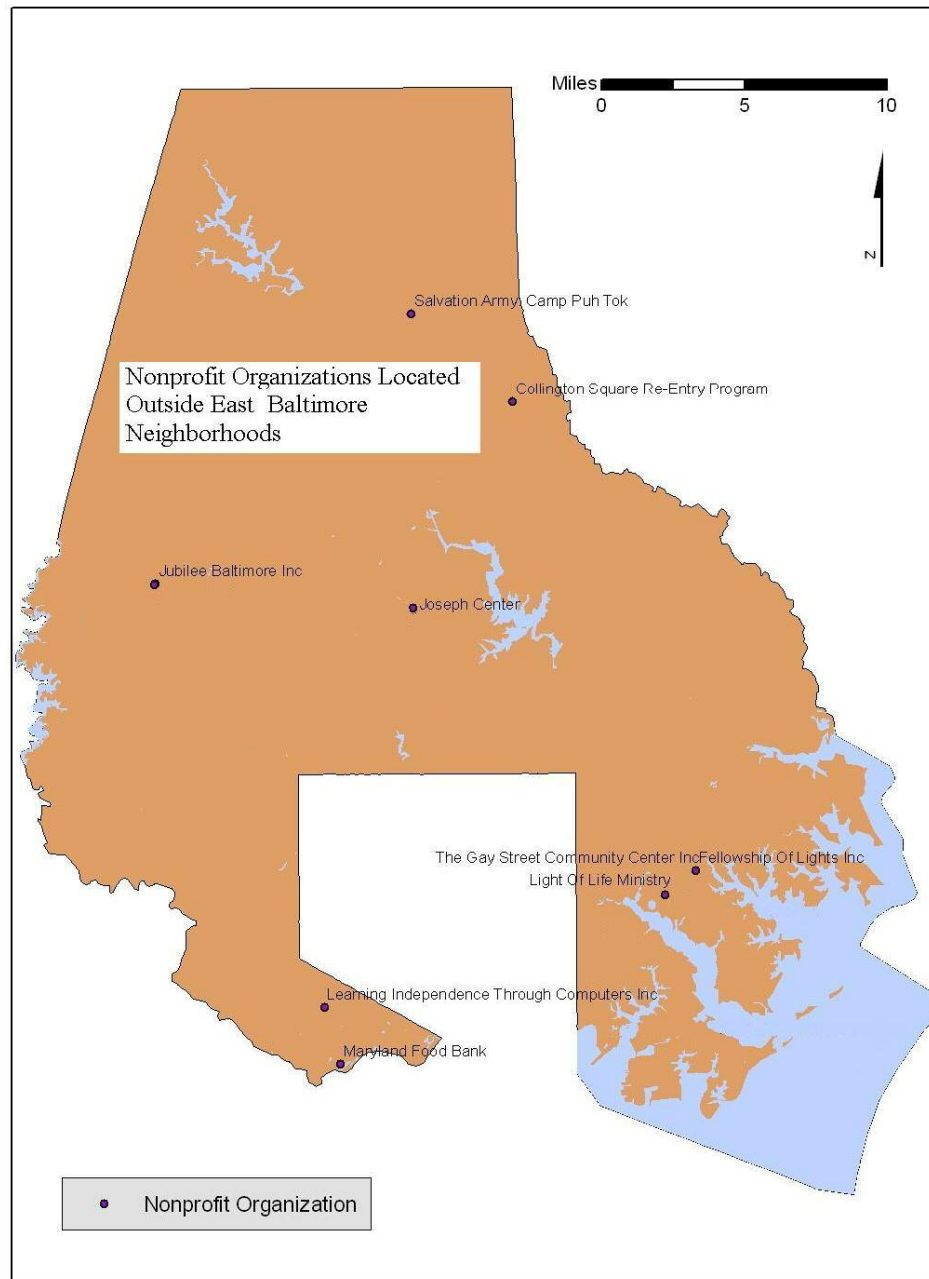


Figure 16 Nonprofits located outside of study area

Maryland Food Bank). Some target their services to specific neighborhoods and need sites in those areas. Some nonprofits that are contracted by local and federal government to provide services might be required to have service locations in the area being served (e.g., Goodwill Industries). On the contrary, nonprofits that rely primarily on user fees and need to compete with other service providers may select locations that will attract the targeted clientele to their facility.

There is a relatively wide array of nonprofit human service organizations for human services in East Baltimore. But while these agencies are found in most every locality, they are not evenly distributed. Table 11 show the number of services by neighborhood. Greenmount East has the highest proportion of services while Monument Street has no services within its neighborhood boundaries. A possible explanation for the lack of services in Monument Street is that it is primarily an industrial area with fewer people living there than the other neighborhoods. Nonprofits may not locate there because there is insufficient population for organizations to provide services. The distribution by service activity also varies. The preponderance of services is in the areas of service for the homeless and housing services. These services tend to be located in the Hopkins Middle and Greenmount neighborhoods. Hopkins and Greenmount have services from all of the service categories except services for ex-offenders. It is apparent that the nonprofit sector is not present uniformly in all neighborhoods of East Baltimore.

Table 11. Number of Services by Neighborhood						
Service Activity	Greenmount	Madison	Clifton	Hopkins	Monument	Oldtown
Aid to Disabled	1	1	0	1	0	0
Youth	10	4	1	10	0	2
Housing	9	3	1	8	0	2
Homeless	11	2	1	10	0	2
Elderly	6	2	1	4	0	2
Financial	1	0	0	2	0	0
Families	4	0	0	3	0	0
Employment	8	3	1	5	0	2
Referral	6	3	1	3	0	2
Ex-Offender	0	1	0	0	0	0
Substance Abuse	2	1	0	1	0	0
Total	58	20	6	47	0	12
Source: Data compiled by author for IRS Business Masterfile, 2000						

Component Three: Service Rich and Service Poor Areas

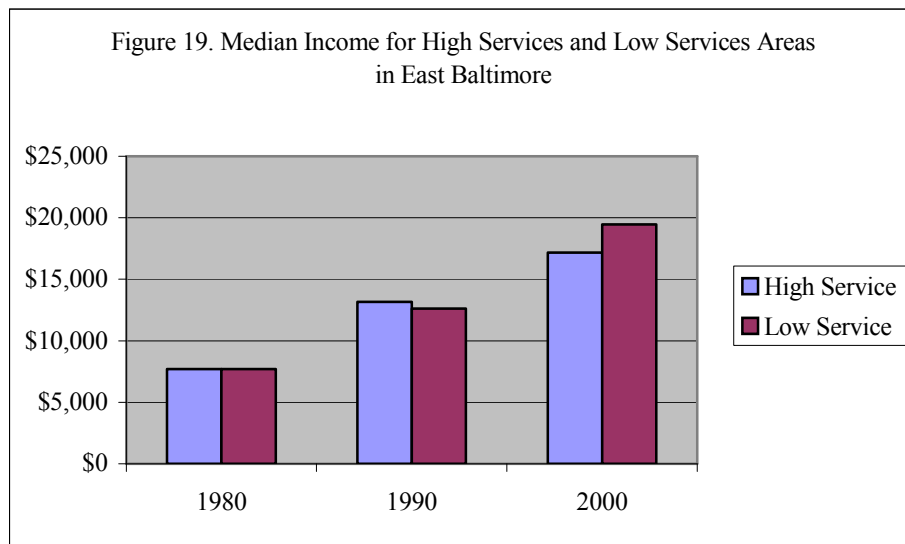
While services are provided throughout most of East Baltimore, it is apparent that some areas have a higher concentration of services than others. Similar to studies by Wolch and Dear (1993) and Joassart-Marcelli and Wolch (2003), this study uses the concept of “service rich” and “service poor” areas to explore the equitability in service distribution in the East Baltimore. Neighborhood clusters with a higher concentration of services are service rich areas and areas with a lower concentration of services are service poor.

In an attempt to illustrate this observation, neighborhoods that appear to have a similar concentration of services are combined to create service rich areas and service poor areas. Madison East and Oldtown are similar in the distribution and proportion of services located within their neighborhoods. They both have fewer services than other areas. Because Greenmount East and Hopkins Middle are similar in terms of their higher numbers of services, these neighborhoods were merged for comparison. The Orangeville neighborhood was excluded from this part of the study area because it is primarily an industrial area with no services reported.

One might speculate that the difference between the service rich areas and the service poor areas is income or poverty levels. However, figure 12 shows that the median incomes for the two areas are and have been commensurate for more than 30 years. The higher number of services in Greenmount is perhaps due to the location of an academic and research institution in the service rich neighborhood. In particular, Johns Hopkins University and Morgan State University are located in East Baltimore. Johns Hopkins is affiliated with numerous human service programs and research initiatives in

which the surrounding community is targeted. The proximity of this institution could possibly account for the larger number of services in these areas.

Although services are not restricted to neighborhood residents, there is typically a distance-decay pattern of service use that occurs around service site location, resulting in a strong relationship between the location of service activities and service clients (Bielefeld et al., 1997). Consequently, it is possible that people in service poor areas have limited access to human service resources.



SUMMARY

The basic proposition of the human service delivery model posed in chapter 2 is that nonprofit services are distributed based upon neighborhood characteristics, and in turn, neighborhood characteristics influence service activity levels. In other words there is a reciprocal relationship between types and quantity of services delivered to a neighborhood. Service distribution involves the connection between neighborhood social wellbeing and socio-economic and demographic characteristics on the one hand and service levels on the other.

This chapter has addressed the first three components of the human service delivery model as follows: Component one utilized measurements of poverty, household median income, unemployment rates, levels of education, age distribution, and neighborhood racial diversity to establish neighborhood-level needs for human services. Based on these variables it is apparent that the six neighborhoods of East Baltimore are likely to require services to ameliorate poverty and deteriorating neighborhood conditions.

Component two examined the response of nonprofits in terms of levels of services expressed as the number of services in a neighborhood. Services for the homeless, youth, housing, and the elderly were the most prominent, while substance abuse and ex-offender services appeared to be meager. Component three addresses the levels of service provided. It is apparent that services are not equally distributed across the study area. Some neighborhoods are “service rich” areas while others are “service poor.”

Based on the quantity of nonprofit service in the study area there are some underserved areas—particularly in the areas of substance abuse services. However, consistent with the notion that nonprofit providers have positioned their services near concentrations of potential clients and at-risk populations, services are generally located near areas with high rates of poverty. Although services are provided to populations in need, the location of human service providers does not always match well to the demographic composition of the city. For example, in a city where 12.5 percent of the population is drug addicted, it was expected that more than one service activity for substance abuse would have been available for all six neighborhood clusters—a population of nearly 70,000 persons.

Low income households coping with unemployment, substance abuse, domestic abuse, etc., in areas without relevant support services face difficulty in improving their quality of life. Overall, there is not a notable gap between human service needs as indicated by socio-economic and demographic indicators and the number of services one would expect the nonprofit sector to target. Under ideal circumstances, nonprofit antipoverty activity would be concentrated in high-poverty areas with greater social needs and limited resources. Some of the services targeted to East Baltimore City residents are remotely located—many in Baltimore County as well as in other parts of the city. Proximity to human service providers matters, as it is likely to affect program participation. However, unlike in previous studies (Maryland Association of Nonprofits, 2006; Salamon, 1997; Wolch et al., 1999; Wolch and Walsh, 1998; Wolch and Dear,

1993; Wolch, 1993b; and Wolch, 1992), it appears that overall services are, in fact, concentrated in the poorest areas of East Baltimore.

The following chapter will attempt to confirm the importance of neighborhood characteristics, in particular, variables that indicate the types of service activities that nonprofits provide. Also, I will discuss the construction of service poor areas and the effectiveness of targeting specific areas for services.

CHAPTER 5

THE INFLUENCE OF SOCIO DEMOGRAPHIC INDICATORS ON THE PROVISION OF NONPROFIT SERVICES: A NEIGHBORHOOD ANALYSIS

Employing factor analytical techniques, the purpose of this chapter is twofold. First, this chapter will attempt to identify clustering among neighborhood socio-economic indicators and nonprofit service activities. The factor explanations should provide a general understanding of the unique dimensions that exist in the data and the extent to which nonprofit services are based on real and/or potential problems. The potential speaks to the demographic assessment, whereas the location of service activities addresses the issues of efficient (minimal) service delivery. This analysis does not attempt to study relationships between variables. It is an attempt to study patterns of relationships among dependent variables (nonprofit service activities) to ultimately match East Baltimore neighborhood characteristics with nonprofit service activities. This analysis will answer four questions about targeting of services in East Baltimore: 1) How many different factors are needed to explain the pattern of relationships among variables? 2) What is the nature of those factors? 3) How well do the hypothesized factors explain the observed data? and 4) are certain areas targeted for services? Last, a case study will be presented to examine model programs that have been initiated to address neighborhood-level problems affecting East Baltimore.

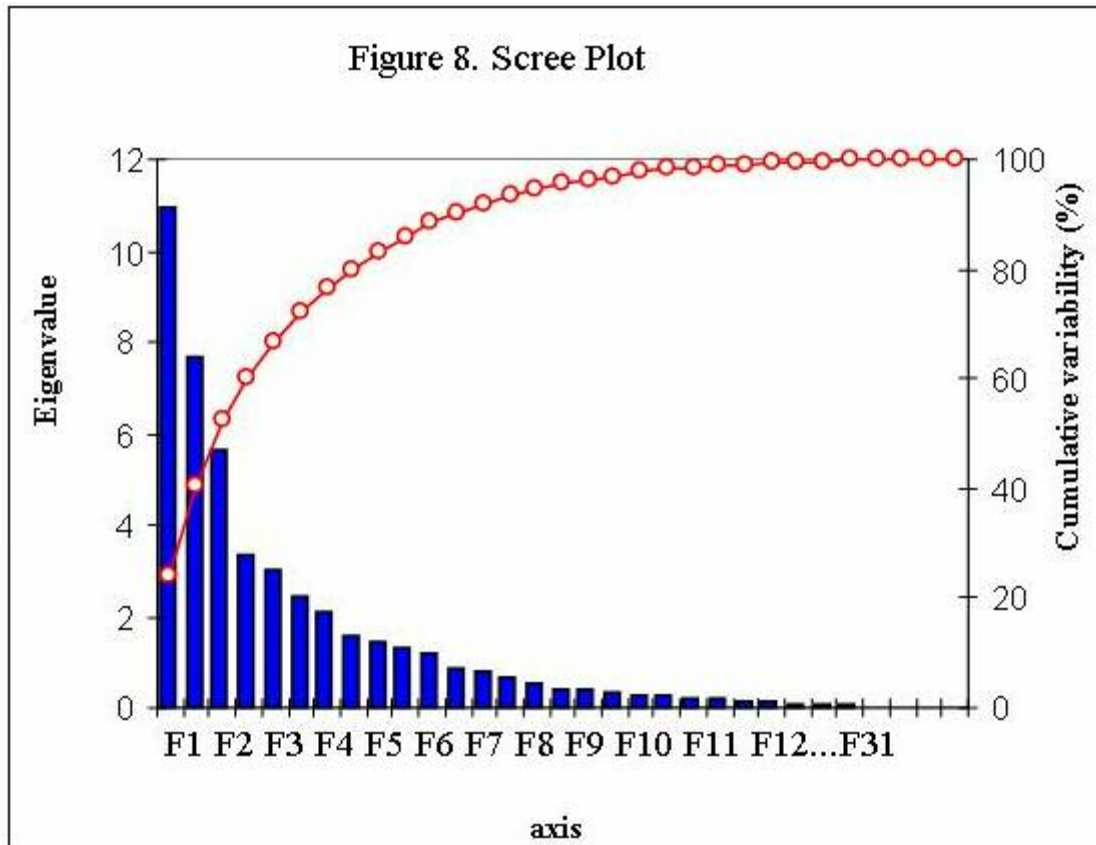
An analysis was conducted on 2000 census data and nonprofit services activity data from the Internal Revenue Service Business Masterfile of tax exempt organizations. In order to identify underlying constructs, 46 variables were entered into a principal factor analysis, with varimax (orthogonal) rotation that accounted for 60 percent of the

common variation among the items. A four-step approach was used to determine a meaningful number of factors underlying the items: 1) Catell's scree test of the eigenvalues against the corresponding factor numbers, 2) the Kaiser rule for eigenvalue magnitude (all values 1 or greater), 3) the cumulative proportion of the variance, and 4) the internal consistency or interpretability of the factors (Liang, and Sedlacek, 2003; and Majors and Sedlacek, 2001; Costello and Osbourne, 2005).

The number of variables in each factor was determined by backwards stepwise elimination, removing the variable with the smallest loading until all included variables had loadings of at least 0.50 on at least one factor. Within a factor, a positive loading indicates a direct association with the factor, while a negative loading indicates an inverse association. The names of the extracted factors were based on their high loading variables (≥ 0.5). As a result 17 of 46 factors were reduced to a four-factor solution and interpreted. These composite variables are represented by factor scores that represent phenomena with a functional unity. The naming of factors was based on the high loading variable in each of the four factors. These 4 factors were: (a) long-term female poverty, (b) quality of life for the elderly, (c) joblessness among males and youth, and d) housing. See table 1 for a list of the 17 items and their factor loadings, means, and standard deviations.

Inspection of the scree plot in figure 18 indicated that the magnitude of eigenvalues tapered off after the second factor. The first component or "common factor" is defined in such a way that the largest amount of variance in the data is explained by the first component. The second common factor explains the second greatest variation and is totally uncorrelated to the first common factor. The remaining common factors are found the same way.

Table 13 Factor Loadings from Principal Components Factor Analysis							
Common Factors	1	2	3	4	M	SD	COM
Long-term female poverty							
Households w/ public	0.81	-0.16	-0.04	-0.42	1.00	0.98	0.96
Females with no high school	0.80	-0.38	0.12	0.11	1.00	0.94	0.81
Population in poverty	0.76	-0.63	-0.06	-0.01	1.00	0.99	0.98
Unemployed females	0.74	0.35	-0.02	-0.10	1.00	0.90	0.67
Black population	0.73	-0.03	0.59	-0.22	1.00	0.99	0.94
Percent single female headed	0.67	0.63	0.24	-0.13	1.00	0.96	0.94
Substance abuse services	0.40	0.03	0.12	0.24	1.00	0.85	0.21
Quality of life for the							
Households w/persons 60 years and over	0.09	-0.92	-0.13	-0.04	1.00	0.98	0.87
Total housing units	-0.14	-0.93	-0.14	-0.14	1.00	0.97	0.92
Social security income	0.09	-0.93	-0.14	-0.14	1.00	0.98	0.90
Non-black population	-0.60	-0.74	0.02	0.20	1.00	0.99	0.94
Retirement income	0.50	-0.78	-0.02	0.16	1.00	0.92	0.87
Services for the elderly	0.03	0.80	0.35	0.31	1.00	0.86	0.23
Joblessness among males and youth							
Males	0.09	-0.40	0.87	-0.16	1.00	0.99	0.95
Percent below poverty	0.31	-0.04	-0.86	-0.23	1.00	0.99	0.88
Population less than 18 in group quarters	-0.22	0.14	0.71	0.02	1.00	0.97	0.57
Employment services	0.24	0.19	0.43	0.14	1.00	0.90	0.29
Housing							
Median Income	0.04	0.31	-0.16	0.82	1.00	0.97	0.79
Percent rented housing units	-0.19	-0.41	-0.22	-0.73	1.00	0.96	0.78
Percent vacant housing units	0.28	-0.05	-0.12	0.46	1.00	0.95	0.30
Housing services	0.16	0.12	0.39	0.54	1.00	0.78	0.22
Cumulative Variance	23.8	40.4	52.6	52.6	60.0	-	-



Communalities¹¹ for variables making up the common factor solutions were unusually high with a few exceptions. A communality of .8 or greater is considered “high” (Velicer and Fava,1998). Variables representing services activities were low. Communality of less than .80 means the variable may either a) not be related to the other items or b) suggest additional variables should be explored. According to Costello and Osborne, (2005) high communalities without cross loadings plus several variables

¹¹ The proportion of a variable's variance explained by a factor structure. A communality does not have to be estimated prior to performing a principal component analysis. *Prior communality estimates* are those which are estimated prior to the factor analysis. Common methods of prior communality estimation are to use (1) an independent reliability estimate, (2) the squared multiple correlation between each variable and the other variables, (3) the highest off-diagonal correlation for each variable, or (4) to iterate by performing a sequence of factor analyses using the final communality estimates from one analysis as prior communality estimate for the next analysis. *Final communality estimates* are the sum of squared loadings for a variable in an orthogonal factor matrix.

loading strongly on each factor indicate “strong data” with accurate results. However, the data in the common factors table (table 10) clearly show that some variables such as population in poverty, Black population, percent single female-headed households, non-Black population, and retirement income cross loaded on factor solutions 1 and 2. This outcome may be the result of a small data set. The results for the service activity variables did not load very high on the factors, and the communalities for all are quite low. Low communalities and low loadings on factor solutions suggest they are likely to be related rather than correlated.

Long Term Female Poverty

The first factor that emerged has an eigenvalue of 10.9 and explains 24 percent of the observed variance (table 11). This first factor was labeled “Long Term Female Poverty” because it loads heavily on neighborhood-level items such as high rates of households receiving public assistance and individuals living in poverty. In particular, the focus appears to be on African-American females with little education, high unemployment, and those who are single heads of households. Substance abuse services are related to this factor more than the other service activities. Although it does not have a loading of ≥ 0.5 on factor 1, it is included because it was the highest loading service activity on factor one. All of the items on factor 1 are positively associated. This suggests that substance abuse services are likely to coincide with areas dominated by families and individuals with the characteristics similar to factor 1.

Table 15 Factor Variability

	Factor 1	Factor 2	Factor 3	Factor 4
Eigenvalue	10.965	7.644	5.629	3.377
Variability (%)	23.837	16.617	12.236	7.341
Cumulative	23.837	40.454	52.690	60.031

Source: Data compiled by author

African-American women and children bear most of the burden of poverty in East Baltimore. Forty percent of families live below the poverty level;¹² eighty-four percent of those families are African-American, and thirty-five percent are single female-headed households (U.S. Bureau of the Census, 2000). There are a number of issues associated with the high rate of women being poor: mothers raising children without fathers or family support, race, working status, and education. Included in the group of single female-headed households are women raising children without fathers, divorced mothers, and mothers who never married. Mothers raising children without fathers are the hardest hit with poverty, which suggests that family status is a key variable of long term poverty. Young mothers raising young children are a subgroup with the most critical needs

¹² Families and persons are classified as **below poverty** if their total family income or unrelated individual income was less than the poverty threshold specified for the applicable family size, age of householder, and number of related children under 18 present (see table below for poverty level thresholds). The Census Bureau uses the federal government's official poverty definition. The poverty thresholds are updated every year to reflect changes in the Consumer Price Index. The specific thresholds used for tabulation of 1999 income in the 2000 census are shown at <http://www.census.gov/hhes/poverty/threshld/thresh99.html>.

(Wertheimer, 1999). Although many mothers raising children are not poor, mothers who are also single while raising children adds another dynamic associated with women being poor.

The working status of women contributes to their poverty status. In many cases the father (who is traditionally thought of as the “bread winner”) is neither present nor a financial contributor to the family and thus contributes to the single female head of household (Sidel, 2006). Women often must choose between working and being full-time mothers. Also, the type of employment single heads of households get depends on their level of education. Women with low education levels (no high school diploma or other skills training) have low wage jobs. Forty-three percent of East Baltimore residents have no high school diplomas. That is 18 percent more than Baltimore City overall and more than twice that of Baltimore County and Maryland. Many single female-headed households supplement income with public assistance. Thirty-two percent of families in East Baltimore are single female-headed households and twelve percent receive public assistance (U.S. Bureau of the Census, 2000). Families receiving such funds rarely receive enough assistance to lift the family with children out of poverty. These are some of the issues that contribute to long-term poverty for women.

Poverty appears to be a female issue because poverty among women is linked to family status (Sidel, 2006; Pearce, 1978). Raising children, being unemployed, and being single are issues that increase a woman's risk of being poor. The educational level of women as they go through the child-rearing period relates to a woman's potential for being fully employed, underemployed, or unemployed.

Socio-economic considerations are presumed determinants of substance abuse among African-Americans. One out of every eight residents in East Baltimore is addicted to drugs or alcohol (Baltimore Health Department, 2003). Experts on substance abuse disorders agree that poverty and other socio-economic factors have a great impact on the prevalence of substance abuse in African-American neighborhoods (Substance Abuse and Mental Health Services Administration, 2002). Limited job opportunities, poor education, high availability of drugs, and stresses of the urban lifestyle are underpinnings of substance abuse (Chamberlain, et al., 2004).

Census data for East Baltimore was not available concerning substance abuse. However, data was obtained from the Department of Health and Human Services (Substance Abuse and Mental Health Services Administration, 2006). Table 12 shows the percentage of individuals who reported using any illicit drugs or any instances of drug abuse or dependence during the last year. The estimate for Baltimore City overall is 3.97 for ages 12-17 and 7.82 for ages 18-25: lower than surrounding Maryland counties and rural areas, Western Maryland and the state of Maryland. However, in the 26 and older age cohort, the rate is higher than all surrounding counties, rural areas, and Western Maryland.

Table 13 shows the percentage of individuals who report needing but not receiving treatment for illicit drug¹³ use in the past year. Once again, the rate is lower

¹³ Needing But Not Receiving Treatment refers to respondents classified as needing treatment for illicit drugs, but not receiving treatment for an illicit drug problem at a specialty facility (i.e., drug and alcohol rehabilitation facilities [inpatient or outpatient], hospitals [inpatient only], and mental health centers). Illicit Drugs include marijuana/hashish, cocaine (including crack), inhalants, hallucinogens, heroin, or prescription-type psychotherapeutics (nonmedical use).

than all other areas for cohort 12-17. For ages 18-25 the rate is slightly higher than Montgomery and Prince George's County. However, those reporting needing treatment and not receiving it is noticeably higher in Baltimore City; more than twice the rate of Montgomery County. These statistics suggest that substance dependency is a considerable problem among the adult population in Baltimore City, more so than in other comparable parts of the state. Residents may not have immediate access to services; there may not be available slots in treatment programs; or they may not be aware of services in their community.

Table 16. Any Illicit Drug Dependence or Abuse in Past Year among Persons Aged 12 or Older, Percent						
State/Substate Region	AGE GROUP (Years)					
	12-17		18-25		26 or Older	
	95% Prediction		95% Prediction		95% Prediction	
	Estimate	Interval	Estimate	Interval	Estimate	Interval
Maryland	4.79	(3.73 - 6.12)	8.46	(6.86 - 10.40)	1.6	(1.11 - 2.32)
Anne Arundel	5.25	(3.33 - 8.17)	9.91	(7.05 - 13.75)	1.5	(0.89 - 2.52)
Baltimore City	3.97	(2.53 - 6.18)	7.82	(5.56 - 10.89)	2.01	(1.20 - 3.36)
Central	5.12	(3.51 - 7.42)	8.98	(6.66 - 11.99)	1.5	(0.89 - 2.51)
Montgomery	4.49	(2.95 - 6.79)	7.37	(5.20 - 10.35)	1.38	(0.80 - 2.35)
Prince George's	4.07	(2.61 - 6.29)	6.95	(4.86 - 9.85)	1.89	(1.11 - 3.19)
Rural	5.17	(3.34 - 7.92)	9.97	(7.24 - 13.57)	1.65	(0.98 - 2.76)
Western	5.44	(3.58 - 8.18)	9.1	(6.55 - 12.51)	1.45	(0.85 - 2.47)
Source: Substance Abuse and Mental Health Administration, 2006						

Table 17. Persons Needing But Not Receiving Treatment for Illicit Drug Use in Past Year, Percent

State/Substate Region	AGE GROUP (Years)					
	12-17		18-25		26 or Older	
	95% Prediction		95% Prediction		95% Prediction	
	Estimate	Interval	Estimate	Interval	Estimate	Interval
Maryland	4.57	(3.62 - 5.76)	7.82	(6.29 - 9.68)	1.4	(0.99 - 1.97)
Anne Arundel	4.91	(3.22 - 7.41)	9.09	(6.38 - 12.79)	1.39	(0.83 - 2.32)
Baltimore City	3.85	(2.52 - 5.83)	7.41	(5.20 - 10.44)	2.15	(1.24 - 3.71)
Central	4.88	(3.39 - 6.98)	8.37	(6.05 - 11.47)	1.33	(0.81 - 2.19)
Montgomery	4.31	(2.86 - 6.45)	6.51	(4.57 - 9.21)	1	(0.60 - 1.67)
Prince George's	3.98	(2.65 - 5.95)	6.45	(4.55 - 9.07)	1.37	(0.83 - 2.23)
Rural	4.88	(3.26 - 7.23)	9.09	(6.50 - 12.58)	1.62	(0.96 - 2.74)
Western	5.18	(3.46 - 7.71)	8.52	(6.14 - 11.70)	1.2	(0.73 - 1.97)

Source: Substance Abuse and Mental Health Administration, 2006

Substance abuse is a significant contributor to and intertwined with an array of social problems that face East Baltimore, from violence and high crime rates to unemployment rates (Drug Strategies , 2001). Youth are particularly at risk of violence and substance abuse. Table 14 shows crime rates for Baltimore City. In 2004, Baltimore had a 7.5 percent crime rate compared to 3.9 percent nationally. In all areas of criminal activity, with the exception of rape, Baltimore City is higher than the national average.

The pervasiveness of poverty, in particular women affected by poverty, family structure, unemployment, and substance abuse, affects nearly everyone in the community. However, the data suggest that these issues are strongly related to the provision of substance abuse rehabilitation services in East Baltimore. Therefore, service providers should be aware of the complex nature of female poverty and substance abuse issues.

Many women, in particular single mothers, are employed in the city's service sector—employment characterized by high turnover, low pay, and few on-the-job benefits (Wilson, 2000). But these meager positions can at least be viewed as stepping-stones to better opportunities, as long as these women receive the training, experience, and social support services to help them advance. However, in the absence of such training and services, women continue to be mired in a cycle of poverty that is difficult to overcome. Transitional benefits such as housing, financial assistance, and healthcare assistance benefit women and their families. These services are designed to provide temporary support for people trying to lift themselves and their families out of poverty.

Table 18 Baltimore Crime Statistics ¹⁴ , 2004			
Crime Type	2004 Total	Per 100,000 People	National per 100,000 People
Overall Baltimore Crime Index	47726	7524.4	3982.6
Baltimore Violent Crimes	11667	1839.4	465.5
Baltimore Homicides	276	43.5	5.5
Baltimore Rapes	182	28.7	32.2
Baltimore Robberies	4050	638.5	136.7
Baltimore Aggravated Assaults	7159	1128.7	291.1
Baltimore Property Crimes	36059	5685	3517.1
Baltimore Burglaries	7981	1258.3	729.9
Baltimore Larceny/Thefts	21366	3368.5	2365.9
Baltimore Motor Vehicle Thefts	6712	1058.2	421.3
Baltimore Arsons ¹⁵	430	67.79	N/A
Source: Baltimore City Department of Planning, 2004; Baltimore Area Connect, 2004			

¹⁴ Based on the final 2004 FBI Crime Reports. Results are tabulated using the Baltimore crime collection area population of 634,279. Baltimore crime collection population may not match US Census data. Population is based on the agencies participating in the reporting.

¹⁵ National arson data is not available. Therefore, arson data is not used in a comparative manner, and arson data is excluded from property crimes total.

It is surprising that youth and family services did not emerge as a factor correlated to women's poverty issues. According to S. Winship & Jencks (2004), childcare is one of the most common obstacles to a single woman acquiring and keeping a job. Women who receive childcare subsidies do not receive them long enough to keep pace with their income. Also, a lack of benefits makes it tougher for single mothers to get and hold jobs, and forces them to make tough choices. A single mother, working in a job without paid sick leave or vacation days, may have to decide between failing to care properly for a sick child and losing a day's pay, or possibly losing her job, if she takes time off from work.

Quality of Life for the Elderly

The second factor has an eigenvalue of 7.6 and explains 17 percent of the observed variance. The second factor labeled "Quality of Life for the Elderly" loads heavily on neighborhood level items such as households with non-Black individuals 60 years of age and over and households receiving social security and retirement income. Services for the elderly produced a factor loading of .8 and are related to this factor. This common factor underscores the significance of the aging population in East Baltimore. All of the variables are negatively related except for services to the elderly. This suggests that in neighborhoods where predominately non-Black households receive retirement and social security income, residents are less likely to need services that are targeted to Black residents who may not receive either social security income or receive retirement.

The Monument Street census tracts on average have higher median incomes and lower percentages of residents living at or below the poverty level than the other five neighborhoods. Also, the Monument Street area is predominately non-Black, with lower

rates of unemployment and more residents receiving retirement income than other neighborhoods. Based on these neighborhood characteristics, it would appear that services for the elderly are less likely to be needed in this area. However, Monument Street's median age is 7 years older than the other neighborhoods, making it a neighborhood that will in years to come be affected immensely by a growing elderly population.

Like Baltimore City overall, the City's population is aging rapidly. In all of the six East Baltimore neighborhoods the median age has increased. In other Maryland cities the median age ranges from 25 to 29 (U.S. Bureau of the Census, 2000). However, East Baltimore neighborhoods have a median age anywhere from 28 to 39. The median age has steadily increased each decade from 1980 to 2000. In many neighborhoods, "baby boomers"¹⁶ ages 40-44 represent the largest age group. Exacerbating the problem of an older population is that East Baltimore neighborhoods have lost residents in nearly every age group during the 1990s, especially the 25-34-year-olds, whose population dropped by nearly a third (U.S. Bureau of the Census, 2000). Consequently, there are greater numbers of elderly people comprising a larger share of households in these neighborhoods.

The aging of East Baltimore's population is cause for great concern to policy makers and service providers. As the "baby boomer" population ages, nonprofit service providers will be facing new challenges in the coming years:

¹⁶ Approximately 77 million babies were born in the United States during the boom years of 1946 to 1964. In 2011, the oldest will turn 65, and, on average, can expect to live to 83. Many will continue well into their 90s.

- By 2020 when the baby boomers turn 65, more services will be needed to serve older people, their families, and caregivers. A disproportionately large share of special services and public support will be required to meet the needs of the elderly.
- Families will need services to help them care for elderly family members. Eighty percent of care for the elderly comes from family and friends rather than formal services (Burtless and Quinn, 2001).
- There will be large increases in the most vulnerable elderly groups—elderly living alone, older women, and elderly unmarried persons with no living children. These groups also have a high percentage living in poverty or with low incomes.
- The number of persons requiring institutional care and care at home will increase substantially.

Joblessness among Males and Youth

Joblessness among males and youth emerged as the third factor and included high loading of the following demographic variables: males, percent below poverty, total housing units, and population less than 18 in group quarters.¹⁷ Employment service activities are strongly related to factor 3. This common factor had an eigenvalue of 5.6 and accounted for 12 percent of the observed variance. Total housing units and percent below poverty are negatively related to the common factor. Surprisingly, this suggests that employment services are least likely to be found in areas of high poverty

¹⁷ The Census Bureau classifies all people not living in households as living in group quarters. There are two types of group quarters: institutional (for example, correctional facilities, nursing homes, and mental hospitals) and non-institutional (for example, college dormitories, military barracks, group homes, missions, and shelters).

Three decades ago 20 percent of all jobs in Baltimore were manufacturing jobs. Today, only 8 percent of Baltimoreans work in manufacturing. In comparison, 25 percent work in professions that require high educational achievement, e.g. education and health professions. East Baltimore lags behind other cities and its own suburbs in college degree attainment among its residents. While education is on the rise among residents, there is still a disparity between racial and ethnic groups. Only 4 percent of East Baltimore's adults have college degrees, while more than 30 percent of residents in the state of Maryland have attained a college education (U.S. Bureau of the Census, 2000).

Joblessness, in particular among urban black males, is rooted in shifts in Baltimore's primarily manufacturing economy of the 1970's to a service- and information-based economy (Wilson, 2000;1996). These changes in the economy polarized the population into low-wage earners and high-wage earners. In addition, innovations in technology and the relocation of manufacturing out of the central cities increased the rate of inner city joblessness and thereby contributed to the growth in inner city poor populations. Finally, the out-migration of middle-class families increased the number of poor and hence signaled the beginning of urban decay.

According to William J. Wilson, joblessness is the primary predicament for young, Black, inner-city males in neighborhoods resembling East Baltimore. Factors associated with persistent joblessness cannot be reduced to a simplistic explanation or blamed on a "culture of poverty" (Wilson, 1987, p. 245). In other words, there may be other factors to explain such high rates of joblessness—lack of jobs in the city, racism, concentration of poverty—and that result in neighborhood effects, etc. Two decades ago Wilson (1987) suggested that one approach to this problem has been to have non-profit

job information and placement centers present in inner-city areas to recruit and train workers to make them job ready. They further suggested that the complex problem of unemployment of low-skilled inner-city workers requires more complex multi-pronged approaches.

Twenty decades later and the problem of joblessness among Black inner-city youths remains significant in East Baltimore. Young Black men are experiencing dire educational and employment straits. Only half of Black men age 16 to 24 who are out of school are employed at any given time (U.S. Bureau of Labor, 2007). Thirty to 50 percent of these men will not finish high school, and one third will spend time incarcerated. Among those with no high school diploma, the majority will be incarcerated (National Urban League, 2007).

Services do exist to address issues of unemployment and skills training and education. However, the level of services in East Baltimore does not seem to reflect the magnitude of the problem. The data suggest that more could be done to enhance education and training incentives for youths to obtain and maintain jobs available in their neighborhoods, to provide greater incentives and support for youth offenders, as well as to increase opportunities for youth to connect to their communities. Further, the data suggest that areas with young Black males and youths involved with the juvenile justice system are more likely to have services addressing unemployment and skills training. However, one cannot emphasize enough the complexity of the unemployment problem of Black males.

Housing

Housing, the fourth factor, consisted of median income, percent of rented housing units, percent of vacant housing¹⁸ units, and housing services. This common factor has an eigenvalue of 3.4 and explains 7 percent of the observed variance. All of the variables are positively related except for percent of rented housing. This suggests that in areas where there are large numbers of renters, housing services would not be needed. It is unclear why this relationship emerged. The fourth factor emerged with items that relate to affordable housing and income issues.

In cities across the nation jobs, population, and income growth have ignited the housing market, resulting in low vacancies and high rents. In contrast, Baltimore City has among the most modest rents and the highest vacancy rates (Newman, 2005). Yet, many of the city's residents cannot afford adequate housing. The problem of affordable housing is a reflection of what has happened to Baltimore City over the past 30 years: population losses, job losses, population shifts, and lower median incomes (Rusk, 1996).

Because so many renters are poor, even low rents are still unaffordable to many. There are about two poor renters for every affordable housing unit in the city, and more than 16,000 households on the waiting list for assisted housing. Nearly half of renter households with children are paying more than 30 percent of their income for rent, yet more than two-fifths of them are living in inadequate housing (Newman, 2005).

In East Baltimore the percent of persons renting housing has decreased from 1980 to 2000. However, the percentage of persons renting is as high as 69 percent in the Oldtown-Jonestown area of East Baltimore. The average for Baltimore City is 55

¹⁸ Unoccupied year-round housing units that are available or intended for occupancy at any time during the year (U.S. Bureau of the Census, 2000).

percent. Rents in Baltimore have declined over the decade by an even greater percentage than household median incomes (Newman 2005). Baltimore renters still spend more than 30 percent of their income on rent, suggesting that most earn too little to afford the inexpensive rents in the inner city. As East Baltimore decentralized along with the rest of Baltimore City, it lost its middle-income families. As a result, median income declined by seven percent during the 1990s. Affordability, coupled with a high rate of housing units not fit for human habitation, creates a more complex housing dilemma.

The number of vacant housing units in an area can be viewed as a measure of residential disinvestment in a neighborhood. Vacancy rates, the proportion of units that are unoccupied yet fit for human habitation, have an impact on affordable housing. However, “fit for human habitation” does not mean housing in adequate or in decent shape. Unfortunately, the decennial census data do not distinguish between vacant units in good shape and those in poor shape, and no other data are available to determine if East Baltimore, or Baltimore City for that matter, has adequate housing units. Twenty-three percent of East Baltimore’s total housing stock is vacant compared to only 14 percent citywide and 8 percent statewide (U.S. Bureau of Census, 2000). According to the Historic East Baltimore Community Action Coalition, Inc. (HEBAC), of 12,500 units in Historic East Baltimore, 4,100 are vacant and uninhabitable units (Cohen, 2001). In other words, nearly 32 percent of the area’s housing units are vacant and need rehabilitation. The number of vacant housing units in East Baltimore increased by 79.6 percent from 1990 to 2000, with 6,474 recorded in 2000 (U.S. Bureau of the Census, 2000).

Socioeconomic indicators play a leading role in the housing market because characteristics of a community determines what is needed, what is affordable, and what is wanted. Between 1970 and 2000, East Baltimore lost more than 30 percent¹⁹ of renter households. In 2000, fifty percent of all households in the city were renters. These data suggest that services for affordable housing, housing subsidies, assistance, and community development programs should be prevalent in areas where there are a high percentage of low-income renters.

NEIGHBORHOOD CHARACTERISTICS AND NONPROFIT HUMAN SERVICES

A factor analysis of the socio-economic variables was conducted to further classify social conditions of the area—that is, to discuss demographics independent of service activities. As a result, 17 of 46 factors were reduced to a four-factor solution and interpreted. These composite variables are represented by factor scores that represent phenomena with a functional unity. The naming of factors was based on the high loading variable in each of the four factors. These 3 factors were: (a) education unemployment and poverty, (b) income for residents over 60, and (c) language barriers and male incarceration. See table 16 for a list of the 17 items and their factor loadings, means, and standard deviations.

In an attempt to match factor solution constructs (the socio-economic indicators that loaded the highest on each factor (factor 1 and factor 2)) to distribution of services, each service activity was plotted onto a map of factor scores.²⁰ Factor scores are an estimation of the actual values of individual observations for the factors. Mapping the

¹⁹ Author's calculation using decennial census data (1980, 1990, and 2000)

²⁰ Factor scores are linear combinations of variables which are used to estimate the cases' scores on the factors or components. Least squares estimate of factor scores are the most commonly used.

Table 19 Factor Loadings from Factor Analysis: SES Variables Only						
Common Factors	1	2	3	M	SD	COMM
Education, unemployment and poverty						
Unemployed Males	0.85	0.22	0.10	0.00	1.00	0.91
Females	0.83	-0.53	0.12	0.00	1.00	0.99
Households receiving public assistance income	0.82	-0.15	0.01	0.00	1.00	0.98
Females no diploma	0.79	-0.37	0.11	-0.02	1.01	0.95
Population living in poverty	0.77	-0.62	-0.05	0.00	1.00	0.99
Females unemployed	0.73	0.37	0.04	-0.16	1.05	0.90
Black	0.72	-0.05	0.66	0.00	1.00	0.99
Percent Single female headed households	0.66	0.63	0.34	0.18	1.00	1.00
Males no high school diploma	0.61	-0.44	0.13	-0.02	0.96	0.92
Income for residents 60 and over						
Households receiving social security income	0.11	-0.92	-0.17	0.00	1.00	0.98
Households w persons 60 years and over	0.11	-0.92	-0.16	0.00	1.00	0.98
Households receiving retirement income	0.51	-0.76	-0.04	0.00	1.00	0.91
White	-0.60	-0.74	-0.07	0.00	1.00	0.99
Male, language barriers, and incarceration						
Sex Ratio	-0.32	0.05	0.93	0.00	1.00	1.00
Males	0.06	-0.44	0.88	0.00	1.00	0.99
Persons speaking other languages	-0.49	-0.27	0.81	0.00	1.00	1.00
Population less than 18 in group quarters	-0.25	-0.25	0.71	0.00	1.00	0.98
Cumulative Variance	30.40	51.90	66.93	-	-	-

factor coefficients by census tract along with service activities tells us about the relationship between the spatial distribution of services and demographic characteristics of the neighborhoods that are served. It is an attempt to address the issue of spatial match or mismatch in services.

Several factors (correlates) tend to predispose an organization of target residents for human services in East Baltimore. The mapping of factor scores for factor solution 1 (F1) illustrates the distribution of services for the service activities correlated to the factor variables:

- **F1:** public assistance income, females without high school diplomas, population below poverty, unemployed females, percent Black population, percent single-headed households, and substance abuse services.

Factor one variables are the indicators that loaded highest on the strongest factor. The shading on figures 19-22 represents areas that are correlated to the factor. The darkest areas suggest a high and positive correlation, while the lightest areas represent low negative correlations. One would expect to find that substance abuse services would be located in the darkest areas because this service activity loaded high on factor 1. Because substance abuse services loaded high on factor one, these data suggest that this service activity is likely to be located in areas with similar socio-demographic characteristics in factor one.

Factor 1 maps²¹ suggest that the following service activities have a high and positive correlation to the socio-economic variables on factor solution 1: services for aid to the disabled (figure 19), services for ex-offender rehabilitation (figure 20), and service for substance abuse and rehabilitation (figure 21). These services are more likely to be

²¹ Maps with factor scores plotted along with each service activity can be found in Appendix II.

targeted to clients based on the characteristics of the neighborhood. Perhaps this can be explained by the limited mobility of individuals who receive such services. Nonprofits would have to be located in close proximity to provide services to populations in need. The data in factor 1 suggest that East Baltimore residents are not likely to be targeted for these types of services in their neighborhoods. However, the low correlation and negative relationship could be due to the complex nature of service provision to families that can and often do include services from other areas.

In a strictly theoretical sense, nonprofits, like all organizations, have an incentive to locate near potential clients. But as this analysis has attempted to show, the connection between the residential patterns of households and individuals and the spatial distribution of nonprofits is not entirely straightforward. Research suggests other factors that may relate to location choices of nonprofit organizations. In separate studies, McPherson (1983) and Wolch and Geiger (1983) determined that nonprofits generally locate near available financial resources. Wolpert (1993) charted the disparate degrees of generosity across metropolitan areas and concluded that human service providers are more likely to locate in central cities where human service needs tend to be greater than in suburban communities. Baum and Havemann (1997) suggest that organizations may locate in “crowded” areas where they are physically close to other providers, which allows them to share information and resources, spread infrastructure costs among several groups, access pools of qualified labor, and reduce the search costs of potential clients (Bielefeld and Murdoch, 2004).

In East Baltimore, the process of nonprofit location and the relationships between service activities and neighborhood characteristics almost seem counterintuitive. For

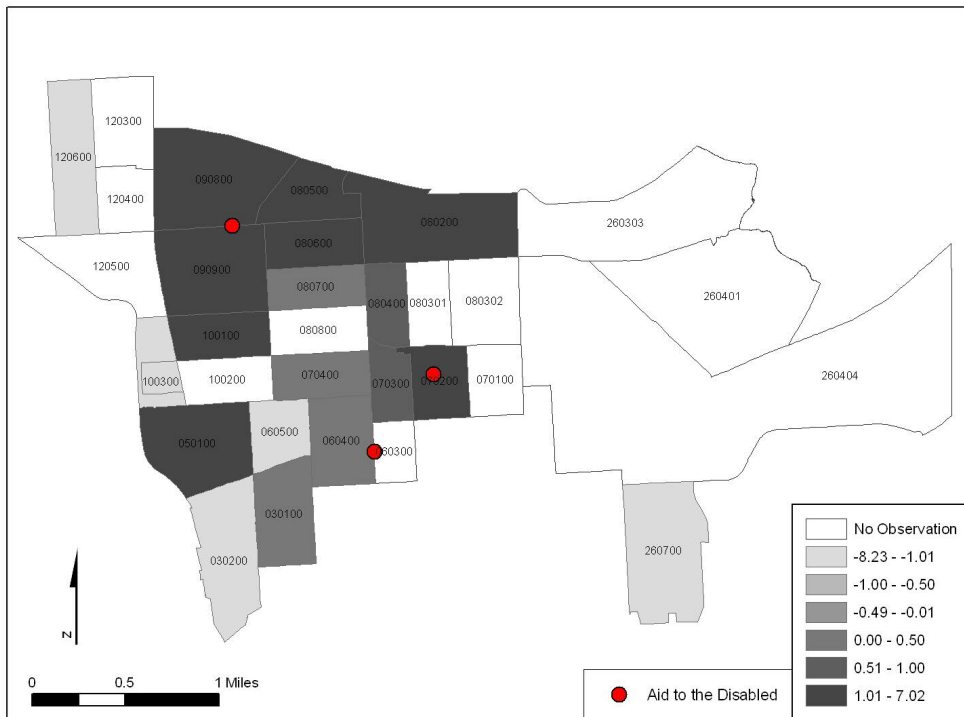


Figure 19 Distribution of factor scores: service for aid to the disabled

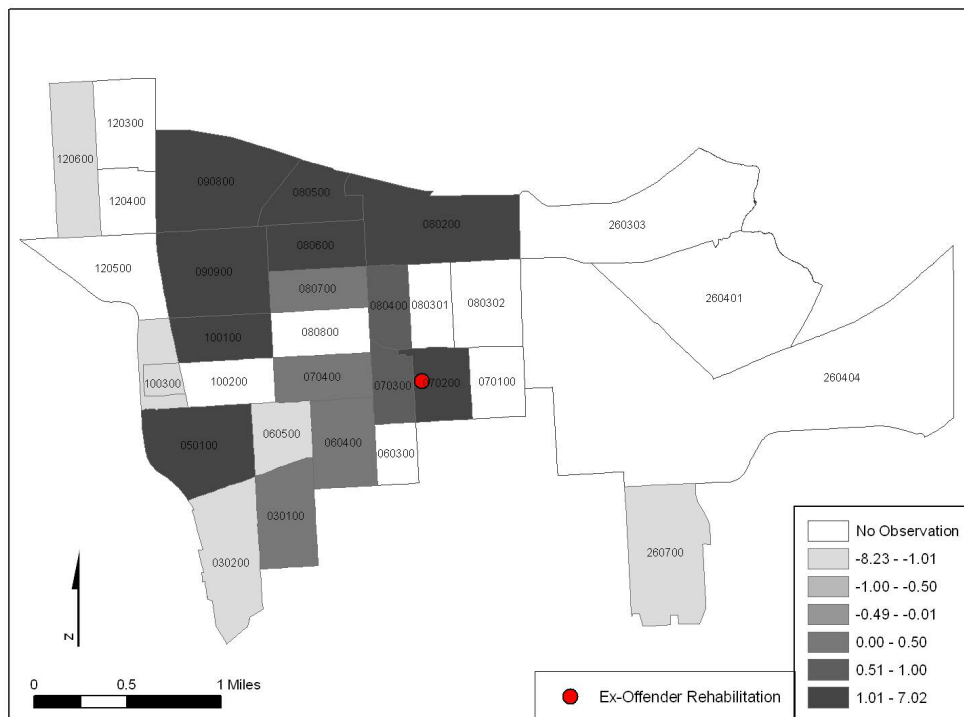


Figure 20 Distribution of factor scores: Service for ex-offender rehabilitation

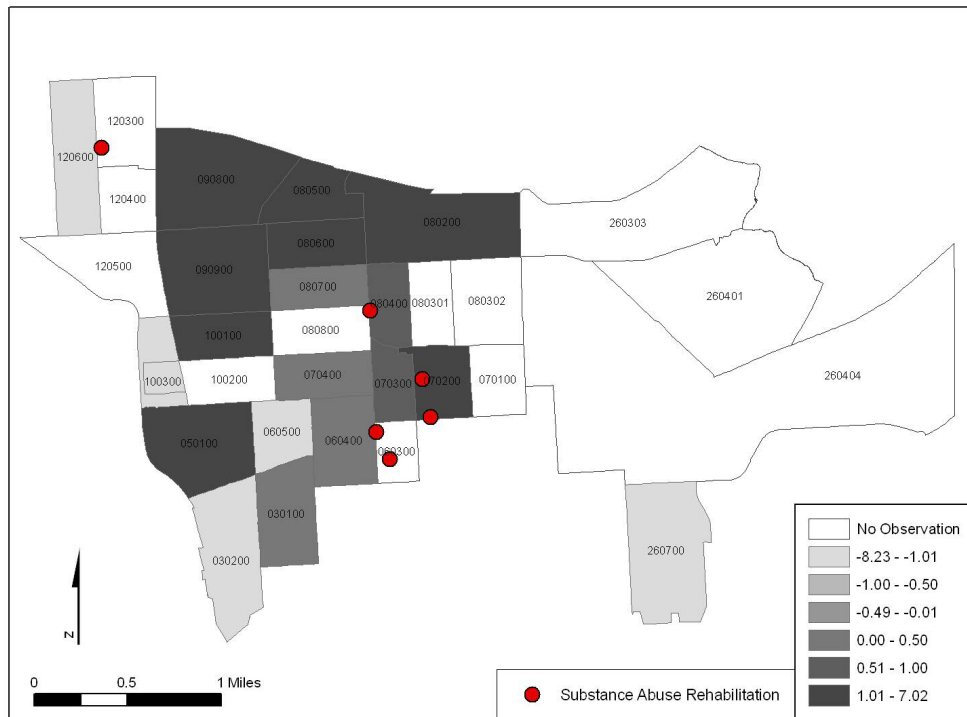


Figure 21 Distribution of factor scores: Services for substance abuse rehabilitation

example, it was expected that services for families, the elderly, the homeless, and financial and housing services would have rendered more definitive results—meaning a high and positive correlation on the factor solutions. However, given the scale of the study—neighborhood level as opposed to citywide or regional—nonprofit organizations are located in close proximity to the populations they reportedly target.

Other demographic and socio-economic neighborhood indicators appear to have little bearing on human services provision by nonprofit organizations in East Baltimore. For example, total number of housing units, median age, immigrant status, and transit to work had no statistically significant effect on the distribution of service activities in East Baltimore.

The preceding observations about the relationship between services and the client population are in no way meant to be definitive. It is acknowledged that services are delivered in census tracts but we do not know who is receiving the services. It is a broad match. However, to get a better understanding of the relationship, an assessment of a particular service case study will be discussed. Furthermore, if human service agencies are to meet the needs of low-income families in high poverty neighborhoods, it is important to know what types of model programs have been initiated by nonprofits to resolve neighborhood-level problems affecting the working poor. It will not justify that services are matched or not matched, but will highlight the possibility of a match.

Helping Up Mission: A Case Study of Substance Abuse Rehabilitation Services in East Baltimore.

Substance abuse treatment is a large industry, involving both public and private resources. Substance abuse treatment programs that operate under different types of ownership are reported to serve different types of client characteristics (Rodgers, 2000). Private for-profit programs were found to be more likely to serve suburban dwellers (Yahr, 1988), patients who are employed (Gerstein and Harwood, 1990), patients with shorter histories of drug taking (Gerstein and Harwood, 1990), patients who abuse only a single substance, and patients who complete the planned treatment regimen (Gerstein and Harwood, 1990). For-profit programs have also been reported to serve more patients with private sources of funding (Gerstein and Harwood, 1990; Wheeler et al., 1992;

Burke and Rafferty, 1990). For-profit outpatient programs have been reported to charge more and to be more likely to deny treatment to those who cannot pay (Burke and Rafferty, 1990).

Most private substance abuse facilities are operated by nonprofit entities (Weisner et al., 2005). According to the Substance Abuse and Mental Health Administration, public treatment providers are being supplanted by nonprofit and private contractors (2005). In 2005 over half of the substance abuse treatment facilities were operated by private non-profit organizations. To gain a greater understanding of the relationship between nonprofit human services and the characteristics of the population targeted for services, a specific nonprofit agency will be examined in detail. Additionally, I will attempt to demonstrate how the relationships between nonprofits and the surrounding community characteristics influence service delivery to East Baltimore in the area of substance abuse rehabilitation. The case study is indicative of the likelihood that services that improve the quality of life and help residents to break the cycle of poverty and addiction are being provided in East Baltimore.

The example of Helping Up Mission, a nonprofit providing substance abuse services to East Baltimore, is examined to lend further credibility to the conclusions drawn in this chapter about the relationships between nonprofit service activities and the socio-economic characteristics of areas served by nonprofits. Substance abuse services were selected because according to the literature, “substance abuse rehabilitation services are most likely to be located in close proximity to clients” (Knudsen et al., 2004). The high rate of co-occurrence of substance abuse and other social problems renders

substance abuse services likely to be part of an integrated service delivery or more simply stated, more likely to be provided by agencies that are multiple service agencies..

Helping Up Mission was selected based on the size and the amount of data available in the study area. The purpose is to understand the net of services and the distribution of services, and also to better understand service provision using an additional variable: agency expenditures.

BACKGROUND AND HISTORY OF HELPING UP MISSION

Helping Up Mission, a 501(c) 3 organization located at 1029 East Baltimore Street, provides shelter and transitional housing for homeless men. It also provides meals and food services weekly and provides a one-year substance abuse treatment program. Helping Up Mission was founded in 1895, at 634 West Baltimore Street. Since then, the Mission has changed location several times, finally settling at its current location in 1955. Over the past 111 years, a variety of new programs were developed to address the needs of Baltimore's poor and homeless population.

In 1990 the "Spiritual Recovery Program," the substance abuse component of Helping Up Mission, began to provide services to local residents (mostly low-income individuals) to address drug and alcohol addiction. The program philosophy is one that "addresses the entire individual," involving physical, psychological, social, and spiritual components. The program provides men with the tools and time necessary to achieve a full and lasting recovery and become productive members of society.

According to Darryl Arrington, Program Manager since 1995, "the Mission has seen immense growth in the number of people served, the quantity and quality of services offered, and the level of community support and involvement." The Spiritual Recovery

Program has gone from serving approximately 30 men in a 6-month residential capacity to serving over 210 men in a 1-year residential program.

Located in the heart of East Baltimore, the Mission is a multi-service agency whose primary service is to provide overnight emergency service to the homeless population of East Baltimore. Helping Up Mission, like many nonprofit organizations, focuses on a defined population in specific geographic area. According to Chris Sherer, a programming associate at Helping Up Mission, “we [Helping up Mission] target the poor and homeless in the East Baltimore community. While we do not exclude people from other areas, we are trying to help the local community. I believe we can and should contribute to our surrounding community. Our target population is East Baltimore, but all are welcome.” Helping Up Mission’s decision to target or focus on East Baltimore community residents is a function of its long-standing presence in East Baltimore and its philanthropic and spiritual mission to “reach out” to help those in need. Specifically, the Helping Up Mission provides the following services to East Baltimore City residents:

- Emergency Overnight Services
- Employment and vocational training (work therapy and job readiness)
- Temporary and permanent job placement
- Basic education (GED preparation)
- 12-Step Chemical Dependency Class
- Counseling and referrals
- Temporary and transitional housing services
- Food and clothing giveaways

Helping Up mission serves primarily men in the community, but it does provide some services to women and families. Eighty-five percent of the men at the Mission suffer from drug or alcohol addiction; some are jobless, homeless, or experiencing other difficulties (2005).

Helping Up Mission, like many human services agencies, provides services according to community needs and public demand. Also, similar to city, state and nationwide trends, Helping Up Mission is expanding its physical locations and the types of services it provides. From 2003 to 2005 the Mission has seen steadily increased expenditures on programs and services (table 19). Their programs are a vital human service agent for the community, but programming is only one piece of what makes an effective human service nonprofit. Another equally important component is accessibility. At the most fundamental level, a nonprofit must be within reach of the poor and addicted population it aims to serve.

Table 19 Helping Up Mission Expenditures, 2003-			
	30-Jun-05	30-Jun-04	30-Jun-03
Donated Income	\$4,092,149	\$2,871,190	\$1,630,477
Total Income and Expenses	\$4,676,452	\$3,630,944	\$1,981,663
Program Services	\$1,649,539	\$1,520,837	\$1,292,555
General & Administrative	\$278,046	\$226,241	\$220,658
Fund-Raising	\$735,873	\$525,234	\$450,034

Narrative accounts of organizations like Helping Up Mission show how resources can reach residents in East Baltimore. But community leaders may lack systematic information on the distribution of desired target clientele or knowledge of pre-existing services to get the resources to neighborhoods of greatest need. The findings of this study can help community leaders, policymakers, and local funders better target resources to specific types of neighborhoods with high needs but limited charitable services.

CHAPTER 6

CONCLUSIONS

The purpose of this research has been to examine the relationship between nonprofit human service activities and the characteristics of client service areas, and the implications of this relationship for East Baltimore neighborhoods. The research proposed two hypotheses regarding the relationship between nonprofit service activities and neighborhood socio-economic indicators: (1) there is a statistical correlation and spatial relationship between service activities by type and socio-economic indicators in the population and (2) the spatial distribution of service activities is directly influenced by the following selected socio-economic indicators: race, gender, income, age, poverty rates, and level of education. Several nonprofit service activities are in fact statistically correlated to socio-economic and demographic indicators. This chapter discusses the research findings, speculates about the policy and conceptual implications of the research, and suggests directions for further research to increase our understanding of the complicated service delivery process.

RESEARCH FINDINGS

Overall, the primary results of the research show services for the homeless, youth, elderly and housing are the most prominent service activities in the study area. These services are matched to the population according to population needs. However, substance abuse and ex-offender services are least prominent. There appears to be a mismatch between nonprofit services and the client population. For example, it was

expected that more nonprofit services would be found to address substance abuse issues and rehabilitation. Low-income households coping with unemployment, substance abuse, family crisis, domestic violence, or homelessness in areas without access to services face additional obstacles to overcoming poverty. In a society where we want individuals to become self sufficient, it is very possible that nonprofits alone may not be well equipped to meet geographically dispersed needs. Nonprofits may not be as responsive as they could be due to limited resources. However, nonprofits appear to be agents for social change based on the number of young agencies occurring in the study area.

Services are not equally distributed across the study area. Some neighborhoods are “service rich” areas while others are “service poor.” Despite gaps in substance abuse services, the distribution of services is consistent with the view that nonprofit services are located in or near concentrations of potential clients and at-risk populations.

The factor analysis revealed a number of complex and intriguing relationships between neighborhood characteristics and service activities. Poor young Black males and youths involved with the juvenile justice system are more likely to be targeted for services addressing unemployment and skills training. Poor, Black, unemployed females, single heads of households, and women with little education are more likely to be targeted for substance abuse rehabilitation services. Households with persons 60 years and older receiving social security income and retirement income are more likely to be targeted for services for the elderly. Also, households with low median income and more than 15 percent housing vacancy in their neighborhoods are likely to be targeted for housing services.

The findings do underscore the importance of the relationship between service activities and community characteristics. These findings confirm what others have found about the relationship between race, income (Diagne, 1995; Weisbrod; 2000), gender ((Bielefeld, 2004; McPherson and Rotolo, 1996), and educational level (Bielefeld, 2004; Corbin, 1999; McPherson and Rotolo, 1996). Race, income, gender, and education level positively influence service activities.

The research findings support the argument that service distribution of nonprofits is influenced by, socio-economic characteristics and the scope of poverty in a community. The literature suggests a direct relationship between services provided and demographic composition of the community being served (Bielefeld et al., 1997; Wolpert, 1993a; Diagne; 1995; Salamon, 1992). The current findings indicate a correlation among service activities and socio-economic and demographic variables.

To date, Lester Salamon's (1997) research on Maryland's nonprofit sector is the widest-ranging account of nonprofit activities. The current research methodology is drawn in part from his work. While Salamon's work established a comprehensive methodology for identifying services on a regional scale, the current research identifies service activities with consideration for the spatial dimensions of neighborhood-level service delivery and the implications for traditional poverty-focused human services. Salamon (1997), like Wolch et al. (1999) and Wolch and Dear (1993), found that nonprofits tend to be located in middle- and high-income neighborhoods. The current research findings do confirm that services tend to not be located in poor neighborhoods. However, the current study did not compare East Baltimore neighborhoods with any middle- or upper-income neighborhoods.

CONTRIBUTIONS AND POLICY IMPLICATIONS

This research makes contributions in at least three respects: (1) adds to existing knowledge of nonprofit service delivery and relationships among socio-economic variables and service activities that result in levels of services for neighborhoods, (2) establishes new directions for further research on nonprofit service delivery at the neighborhood level and, (3) raises some implications for public policy.

As regards nonprofit service delivery patterns, this study is one of the first attempts to systematically document service activities (not service organizations) at the neighborhood level in connection to neighborhood characteristics. The research draws attention to the problems of joblessness, housing, poverty and the possibility that although services are present and accessible in East Baltimore, there may be a spatial mismatch in some types of services. This disparity in services reveals an underserved population—those affected by drugs and substance abuse in their community. By connecting service distribution to community characteristics, this research also presents a geographic dimension to the nonprofit service delivery literature, which until recently has been largely aspatial.

Consistent with the Neighborhood Nonprofit Service Delivery Model in chapter 2, nonprofits provide services according to community needs and public demand. Funding sources may influence the decision to deliver services to a targeted population. Nonprofits, as purveyors of services, are involved in the production of goods for urban residents. Nonprofit sector growth and the development of new organizations during the last ten years, implies that there is a demand for specific services as organizations form to meet these needs.

Empirical evidence, including the case study on Helping Up Mission, shows that nonprofit service activities are based on both the internal decision-making process of nonprofits and a desire to serve a target population. As the public continues to support policies that advocate and encourage individuals to rise above poverty, improve their communities, and become self-sufficient, it is possible that nonprofits alone may not be armed to meet the challenge of servicing urban populations in extreme poverty. Given budget shortfalls at the state and local level, there is likely to be little support for the expansion of services in underserved areas. Furthermore, cuts in spending are likely to disproportionately affect poor populations in cities. If spatial proximity and quantity of services are determinants of service provision, policy makers, program managers, local government administrators, and nonprofits entities should work together to ensure that appropriate services are available and accessible to poor populations within and around central city areas.

Guaranteeing service availability requires information on the location and context of human service delivery. Geographically representative and sensitive databases need to be constructed that contain information on a broad range of organizations and agencies serving the poor populations. Directories of service providers for a given area, similar to the database compiled for this study, provide us with one the most rudimentary sense of what services are available and where. Ideally, data would exist across several metropolitan and rural sites that would contain provider-level information about location, mission, service delivery, clients, staff, and funding sources.

Efforts to assess trends in population characteristics and service accessibility should include some measure of performance for organizations providing services. Not

only will this improve the quality of services for clients, but it will also help to make certain that non-profit providers remain viable amidst the instability of human services economics. Provision of services can also be improved through more effective outreach and marketing campaigns to overcome information barriers about services and the stigma attached to human services. Also, better relationships between neighborhood organizations can improve service provision by ensuring that individuals in need receive information about services and proper referrals.

Nonprofit providers obviously have an important role in determining appropriate services and service accessibility. However, community leaders must be encouraged to regularly assess the match between service delivery and the population in need so they may identify underserved populations and begin to address their needs. As localities continue to redesign their human service delivery systems, policy makers and administrators should be aware of how policy initiatives such as welfare reform can affect the composition and effective distribution of nonprofit human services.

The spatial distribution of services and community characteristics should be considered in tandem with the changing nature of urban populations. Poor urban populations either moving out to the suburbs along with jobs or those left behind in the cities are placing a greater demand on services. Diminished access to services makes families more vulnerable to the instability of the low-skill, low-wage labor market. Human services should be provided to meet the aggregate needs of a population. We should pay closer attention to how spatial trends in population characteristics and support services converge to shape what services are offered, by whom and for whom.

AREAS FOR FUTURE RESEARCH

The study population and case study were imposed to get to numbers of services and information indicating a need for human services. Such information is generally protected by nonprofit organizations. However an anecdotal and cursory discussion as represented by nonprofit numbers of services and neighborhood demographic indicators offer insight into the population receiving services and the magnitude of poverty and social conditions in the neighborhood. It would be interesting and useful to examine the relative utility of intermetropolitan versus intrametropolitan analysis. The variables used in this research as well as others can be measures within cities as well as between them. Their use at the intermetropolitan level may, in fact, provide additional or more detailed explanations of nonprofit sector dynamics. The following discussion includes other areas to be considered for future research.

Databases on nonprofit human service activities: Systematic documentation is lacking on the locational aspects of human services. For example, there is no consistent data source on nonprofit service activities at the neighborhood or city level. More reliable databases should be constructed that have information on a broad range of organizations and agencies serving poor populations. Directories and databases such as the one compiled for this research provide a sense of what service activities are available and where. Preferably these data would be on a much larger scale than six neighborhoods, perhaps across several metropolitan and rural areas. Also, additional information should be included about service providers, mission statements, target populations, staffing, and funding sources and expenditures. Ensuring adequate service

accessibility and provision requires information on the location and context of services delivery

Lack of data for research on locally-based nonprofit human services can be remedied by local or regional surveys using carefully designed questionnaires. Such surveys can be feasible with support from major nonprofit associations such as the Salvation Army and Catholic Charities, or government agencies such as the Department of Health and Human Services and Baltimore City Department of Planning. Collecting information on human services and service organizations is becoming easier today, since many organizations advertise their service(s) by becoming a part of larger nonprofit associations such as the Maryland Association of Nonprofits and by distributing literature about their services. Also the internet is an important source of information on individual organizations. An increasing number of nonprofits have their own websites that include detailed information about their services and their target populations.

Databases on neighborhood characteristics: The adverse social conditions in many low-income neighborhoods are often multifaceted and complex. A neighborhood assessment should be more comprehensive in nature and require data collection from multiple sources. The decennial U.S. census data provides the most detailed information on the demographic, socio-economic, and housing characteristics of the population and household residing in a given area. In addition, administrative data collected by other agencies (city, housing, mental and public health, etc.) can be used to understand the characteristics of the areas. The task is to identify the agencies that have access to neighborhood level data needed to create the indicators for analysis. Neighborhoods are subject to changes due to population movement and displacement. Furthermore, in order

to adequately capture the dynamic change of neighborhood conditions, the neighborhood population should be looked at over time to establish trends and changes.

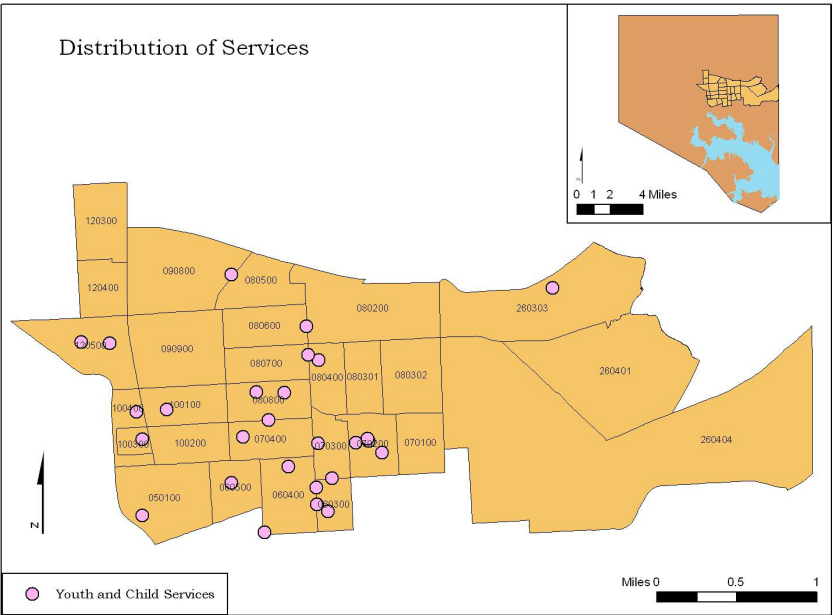
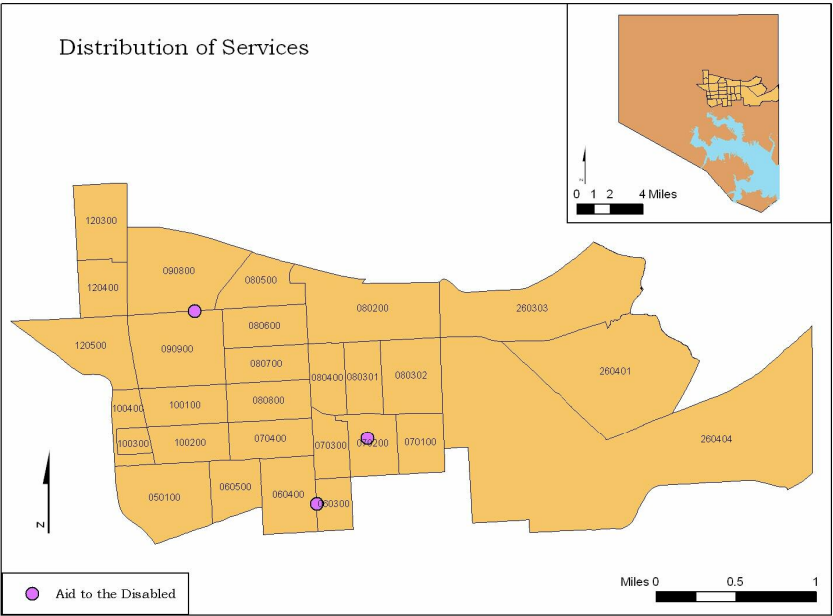
Influence of individual neighborhood-level variables on service activities. The analysis is subject to a number of limitations. Chief among them is the statistical technique employed. Despite the obvious benefits of factor analysis as mentioned in previous chapters, it is acknowledged that factor analysis is a complicated sequence of procedures involving a great deal of subjective judgment. For example, determining the number of factors and labeling them were subjective. The selection of the 21 variables to form the factors was also subjective and reflective of a preconceived notion as to which social variables were relevant to nonprofit human services. In performing the factor analysis, it was assumed that the variables collected were not necessarily the ones that were of interest. The procedure was to find a set of orthogonal factors that presumably reflect exposure better than the original variables. Doing this, however, may have precluded the examination of some originally collected variables of interest. For example, factor 1 consisted of seven original variables (households with public assistance income, females with no high school diploma, population in poverty, unemployed females, Black population, percentage of single female-headed households, and substance abuse services). Knowing the effects of this factor, as a whole, is perhaps less interesting and of less practical importance than knowing the effects of the individual variables. Perhaps a logistic regression analysis using the original variables that form the factors, along with an expanded data set might be utilized in future analyses. These limitations are not overwhelming and should be seen as challenges for future researchers.

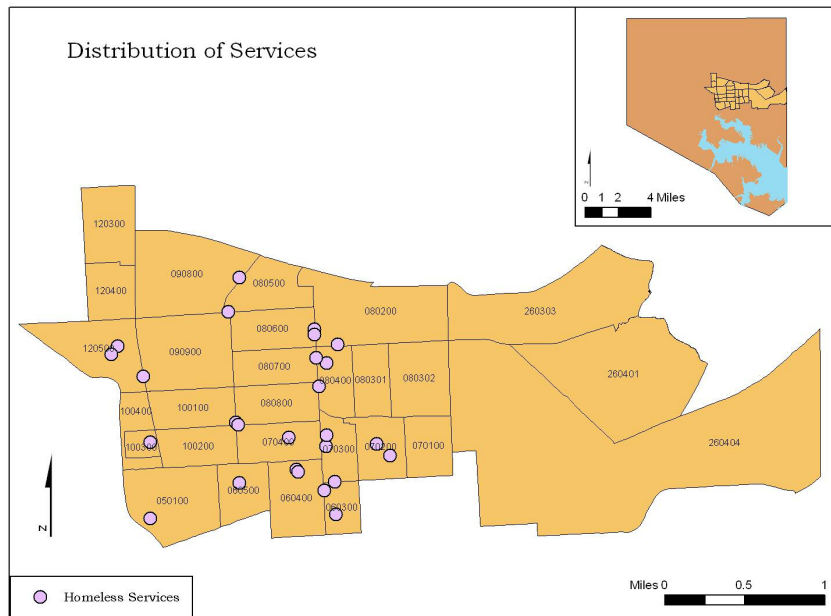
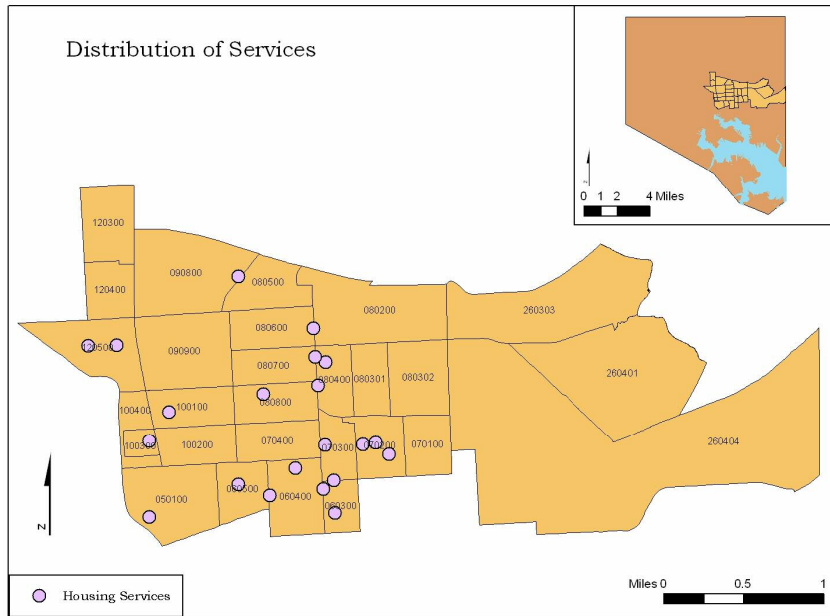
Service delivery models: Considerable research has been done on location models of nonprofit enterprise, for-profit, and public agencies. By contrast, little research has looked at the relationship between neighborhood characteristics and the location of agencies and services. New explanatory and predictive locational models should be developed that take into account the relationship between service organizations and the communities they serve. Such research in the human services field should focus on the interaction among political, social, and economic factors with particular emphasis on citizen needs and social justice issues. Decisions made by individuals and organizations inform where to direct resources and services, in other words, what services should be offered, by whom and for whom.

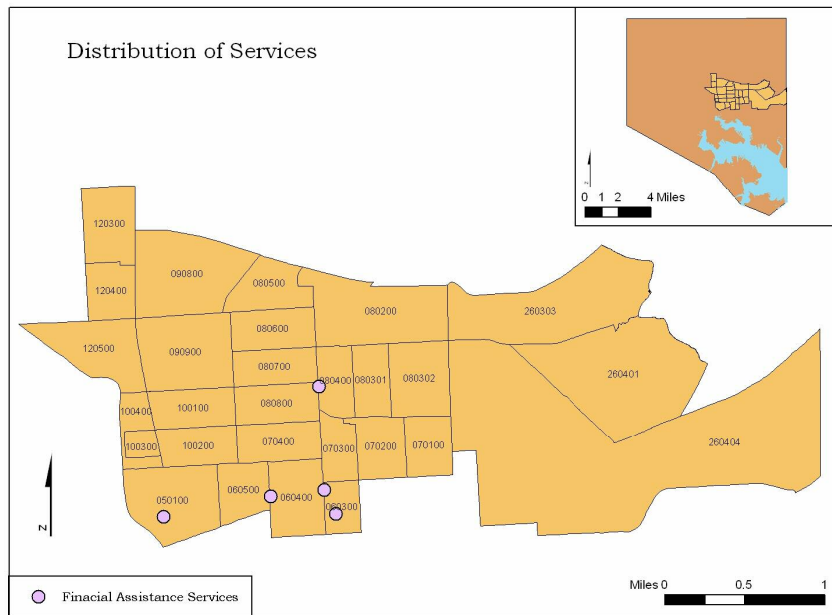
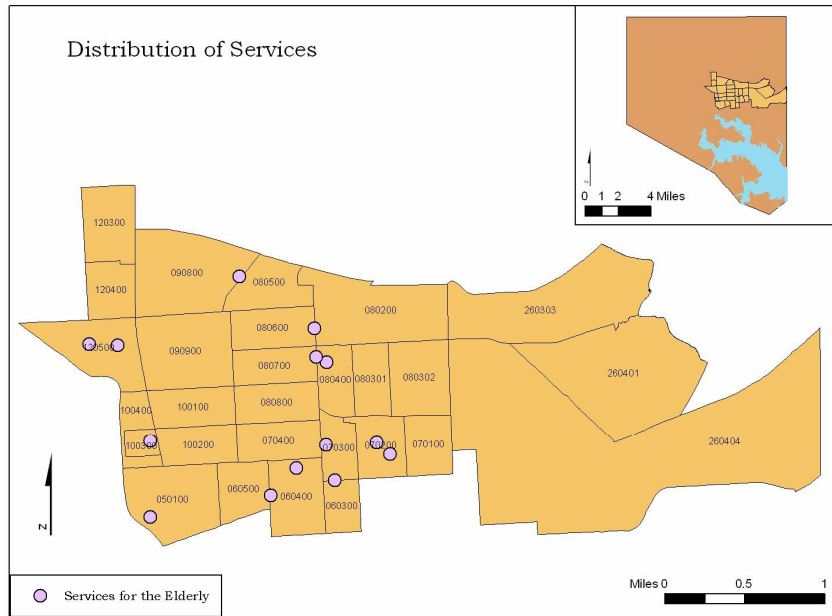
CONCLUSIONS

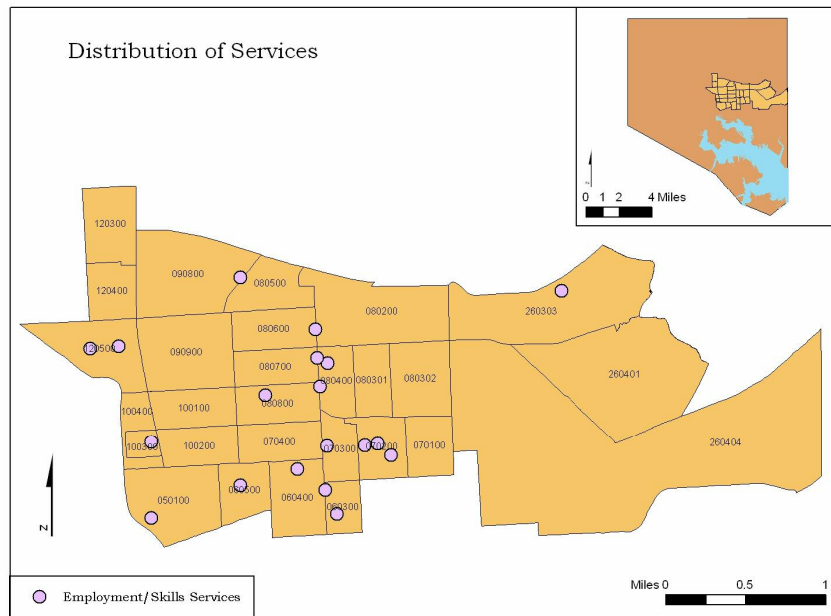
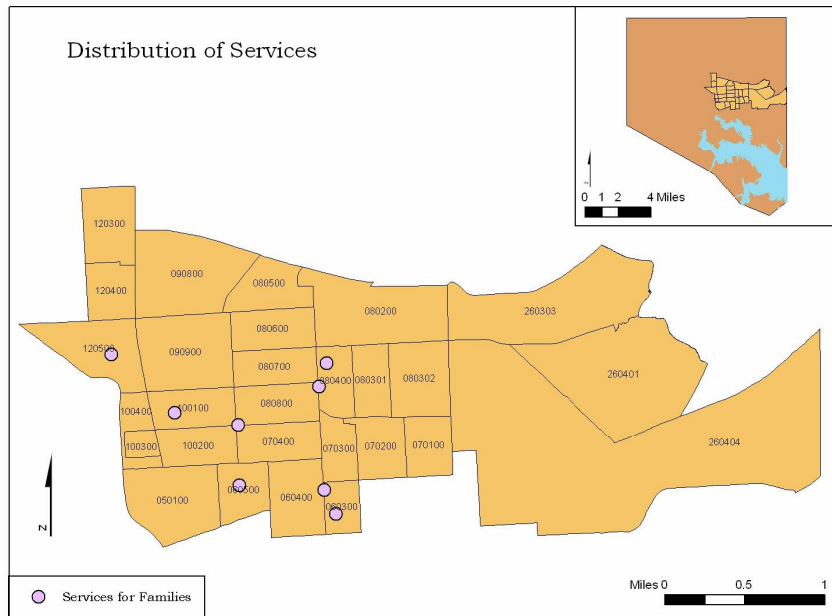
Federal policies have been the major factors in the transformation of human services since the 1990s. Specifically, declining federal support for human services (Allard, 2004) and budget cuts have intensified the conflicting locational tendencies of urban nonprofit human services. The rise of multi-service agencies and remotely based services could be a strategic response of nonprofits to maximize their funding and network resources. These data only scratch the surface of such inherently geographical issues. This study, like virtually all studies of human service, reinforces the presumption that genuine and pressing needs for help are driving forces in the provision of services.

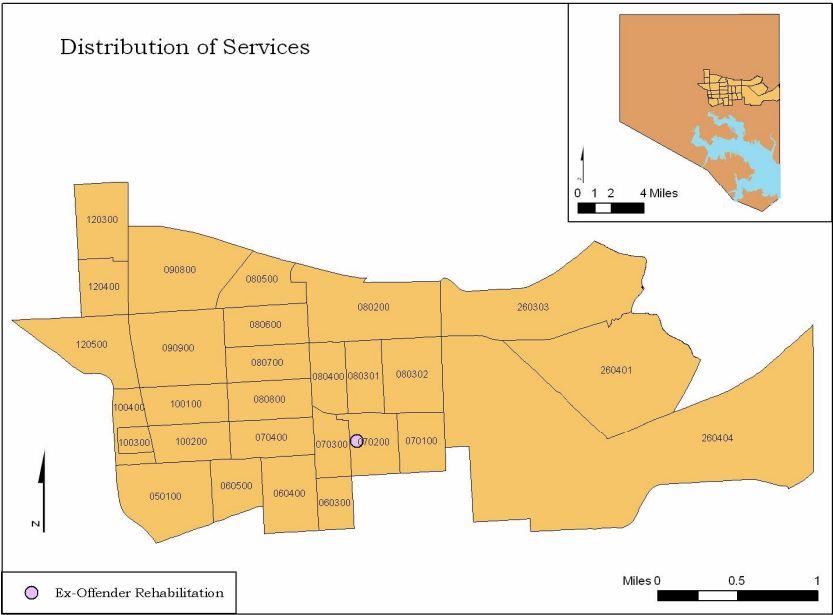
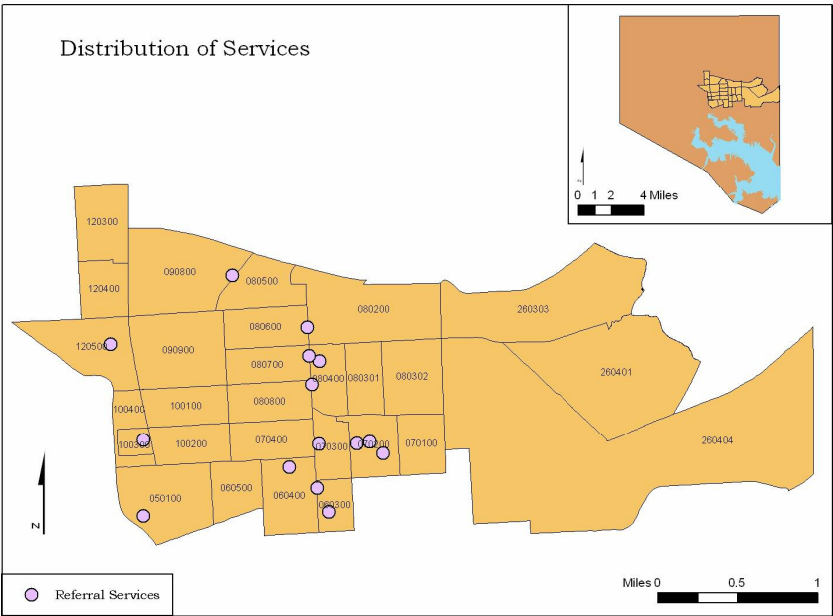
APPENDIX I

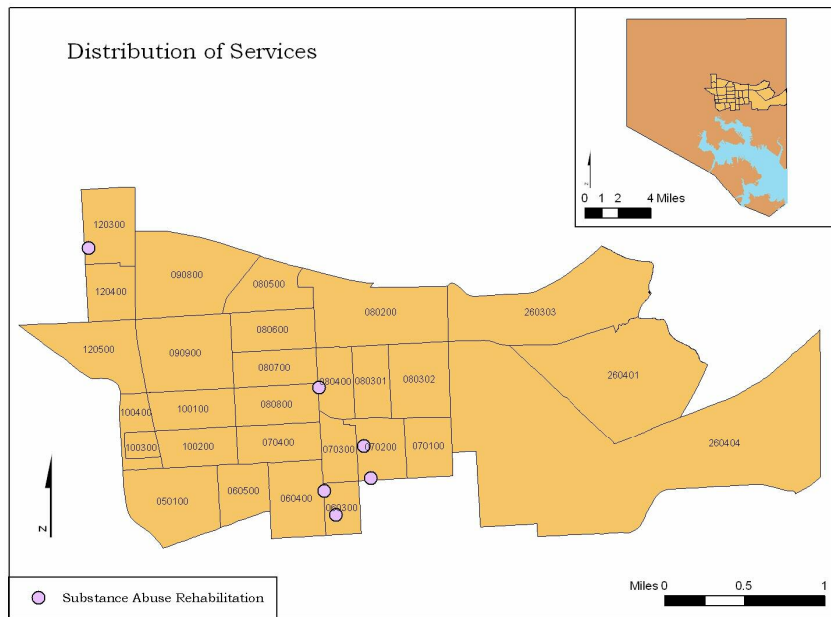






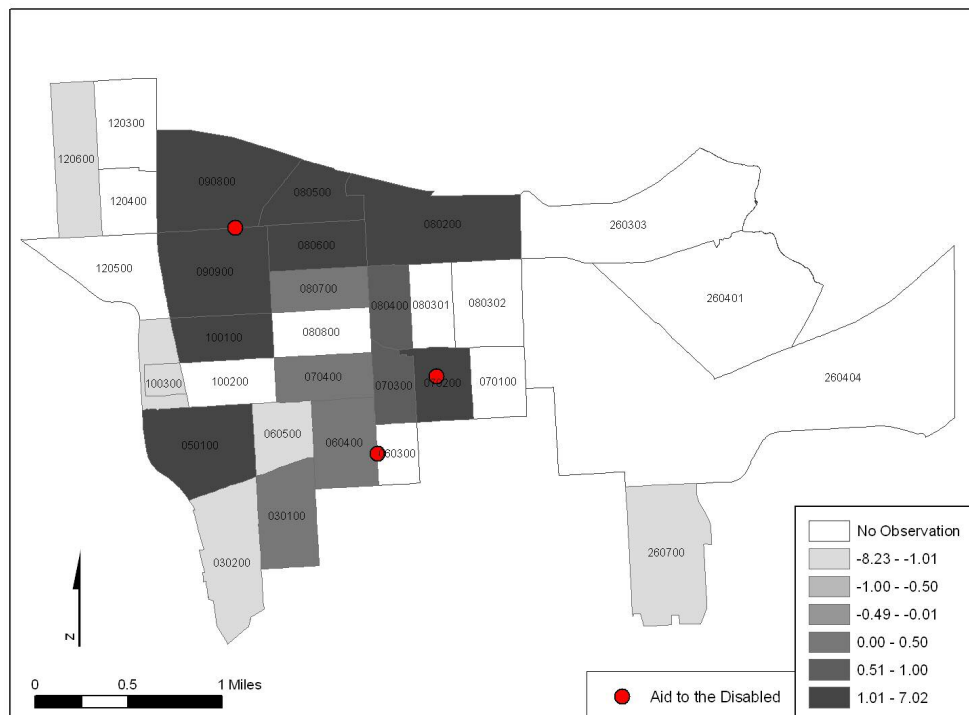
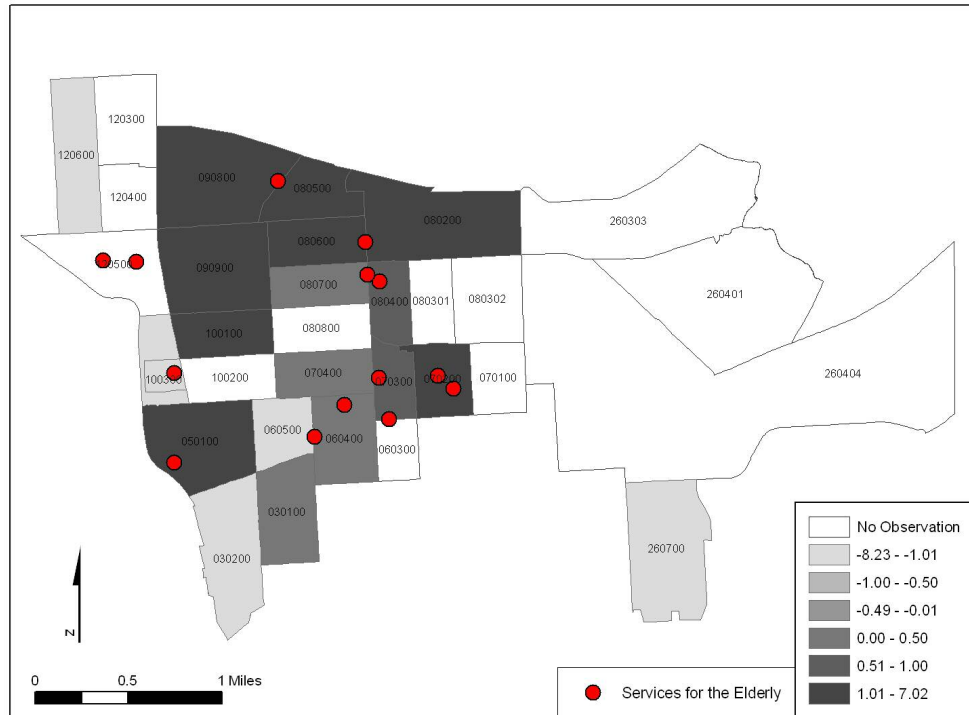


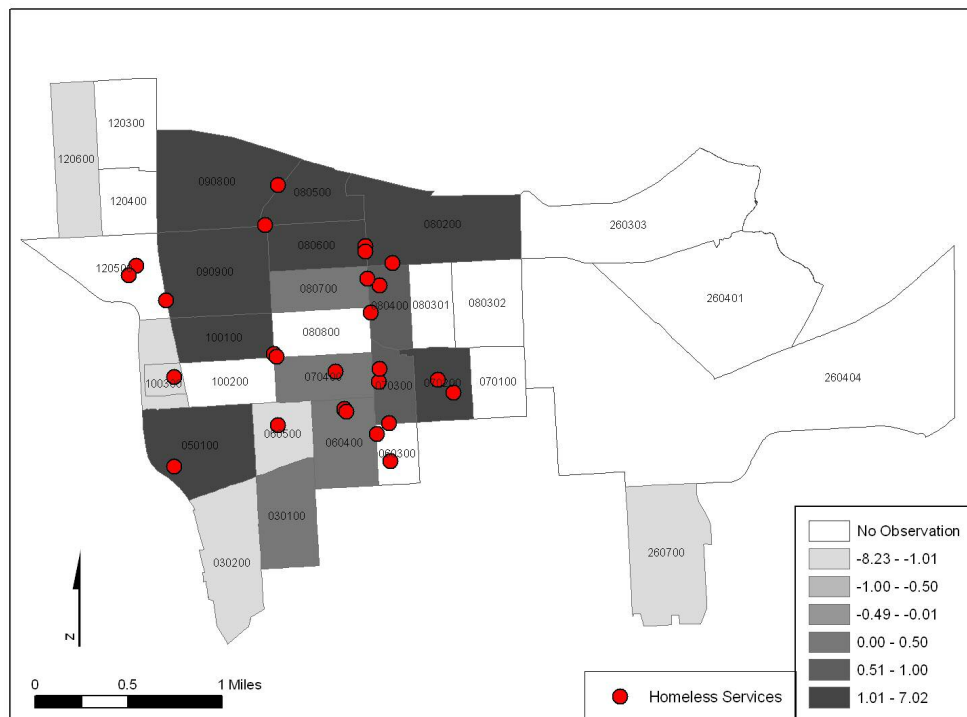
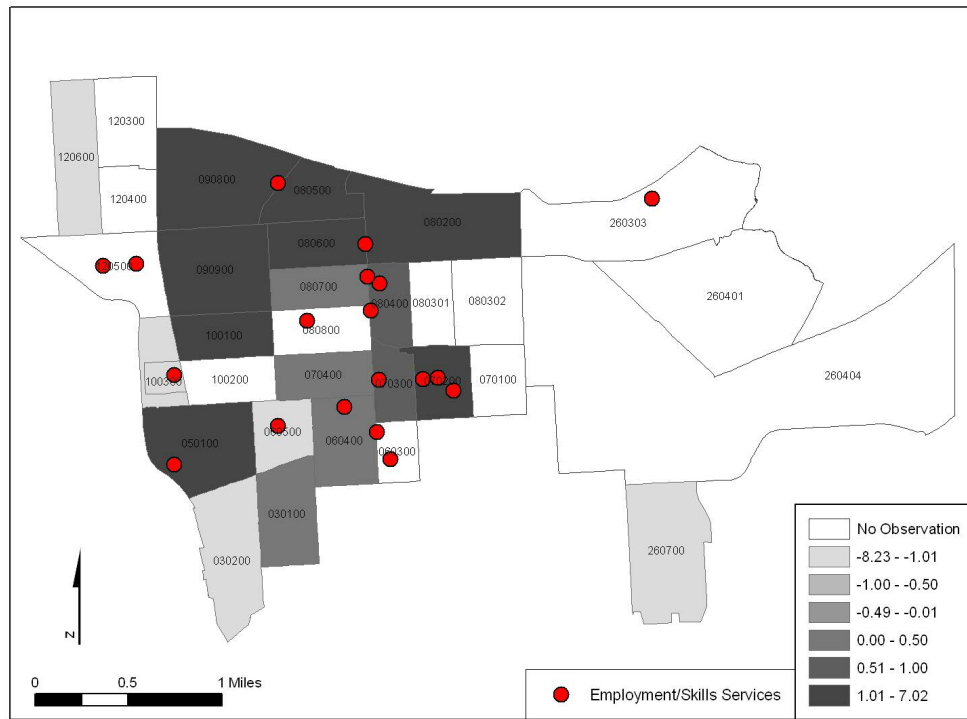


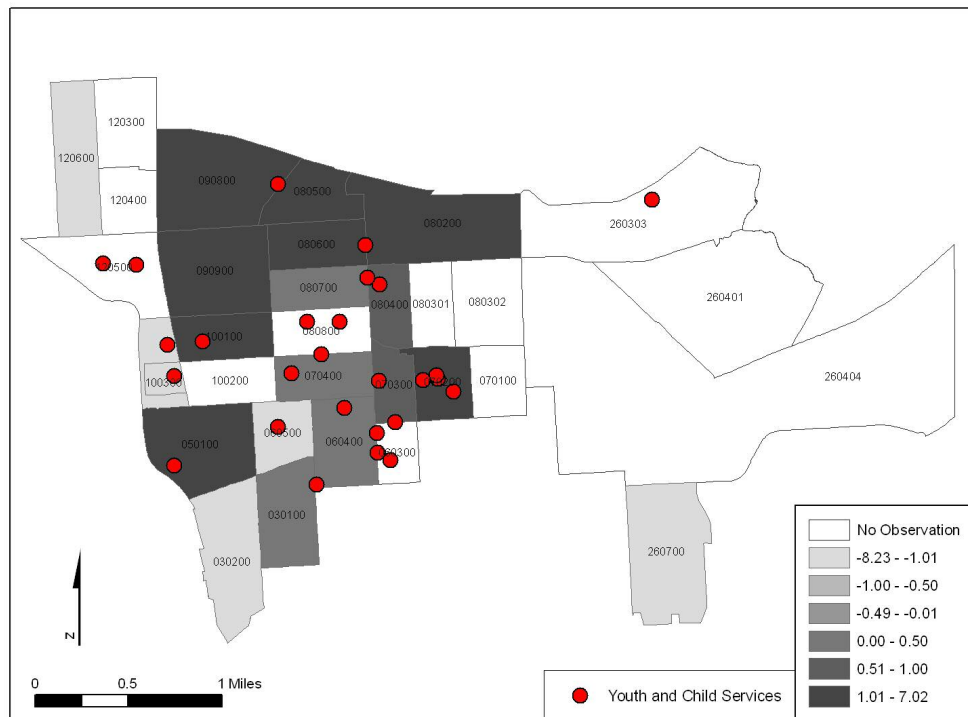
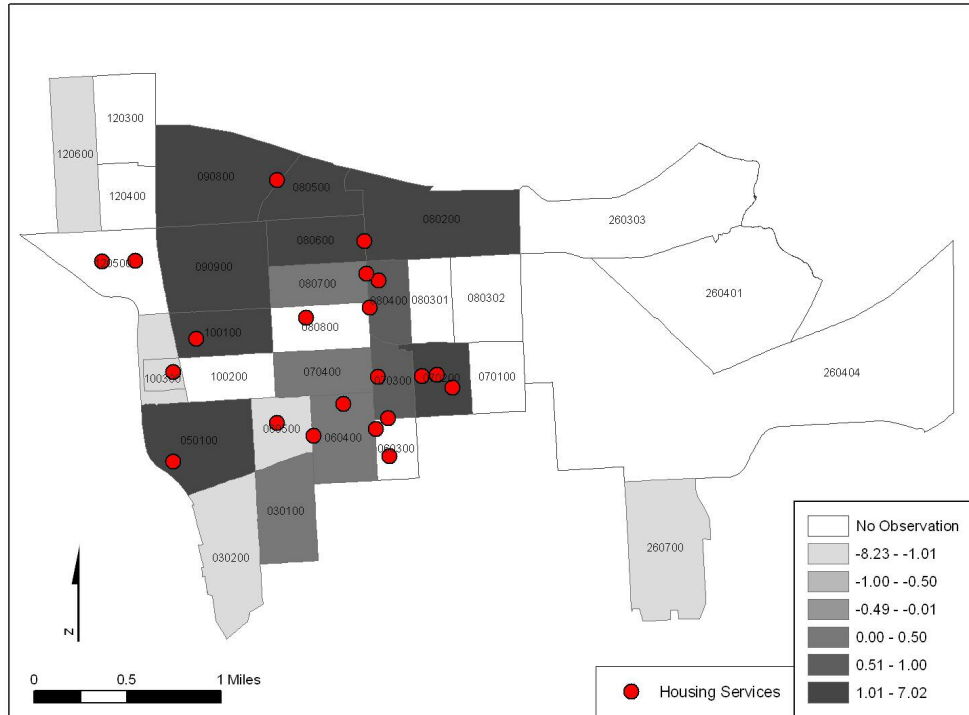


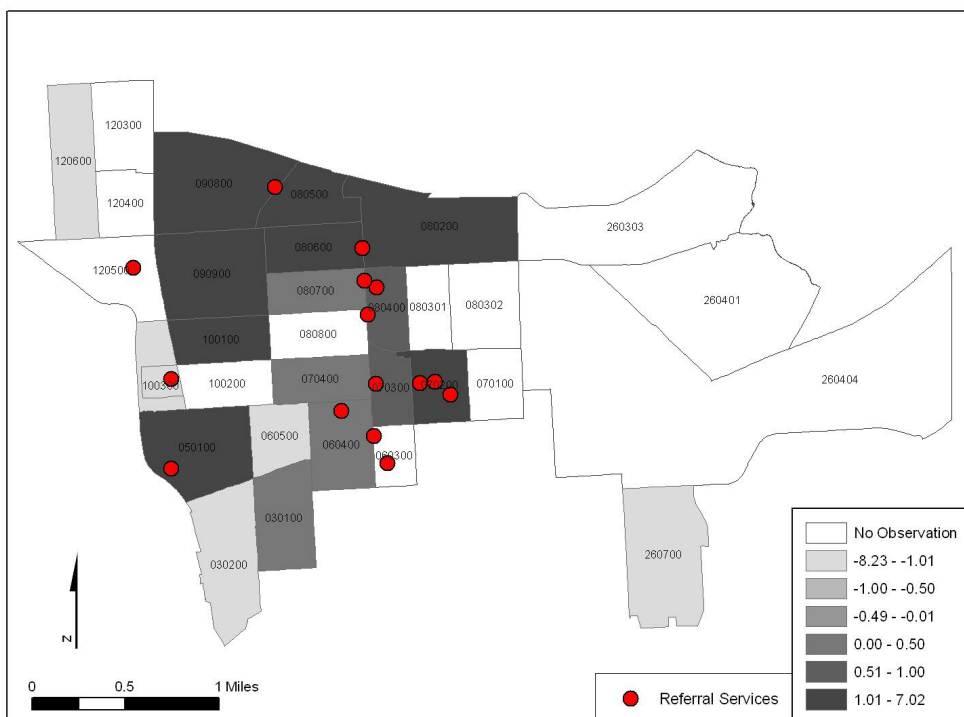
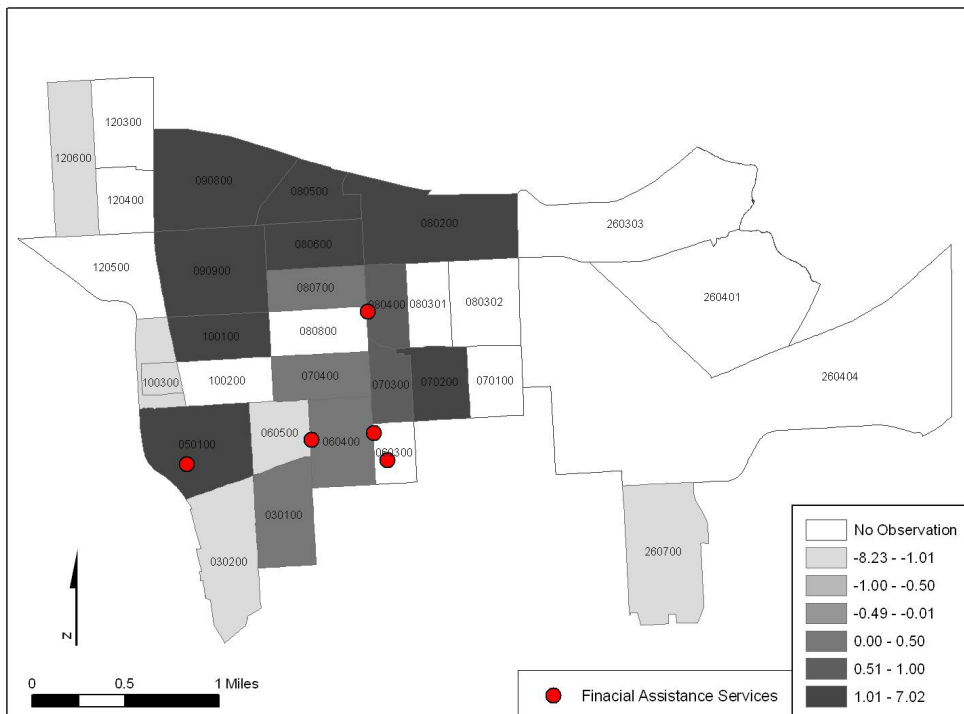
APPENDIX II

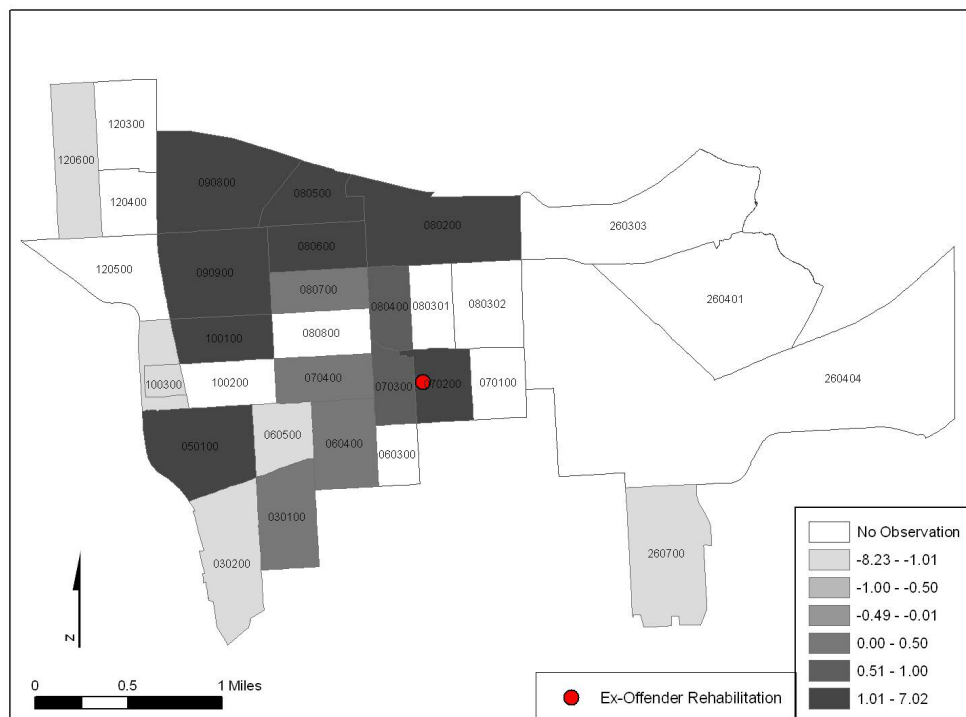
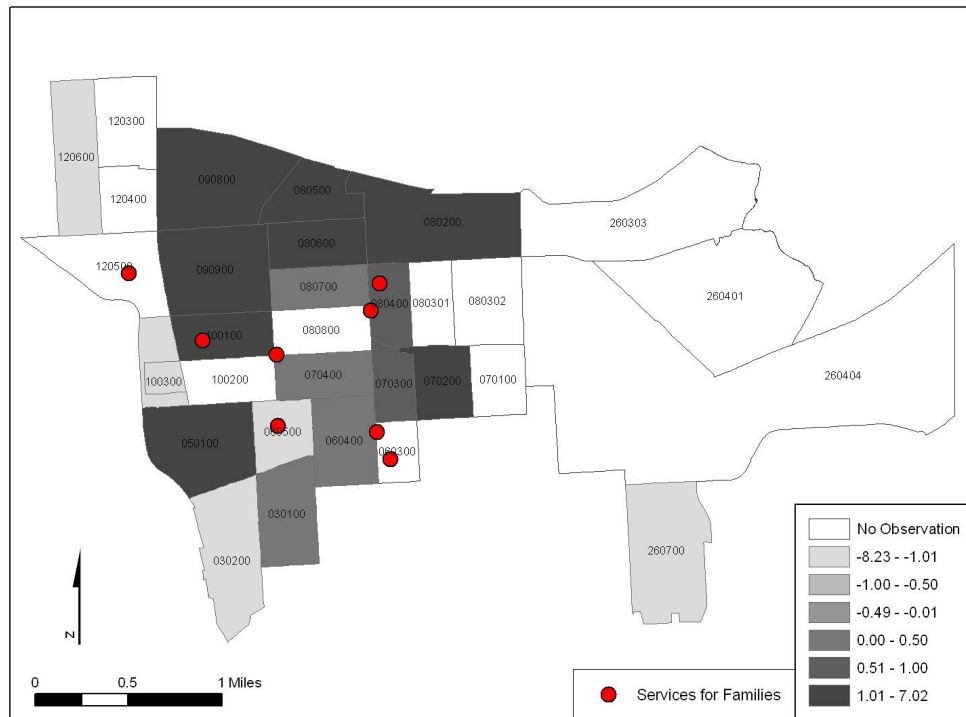
Factor Scores Each Service Activity

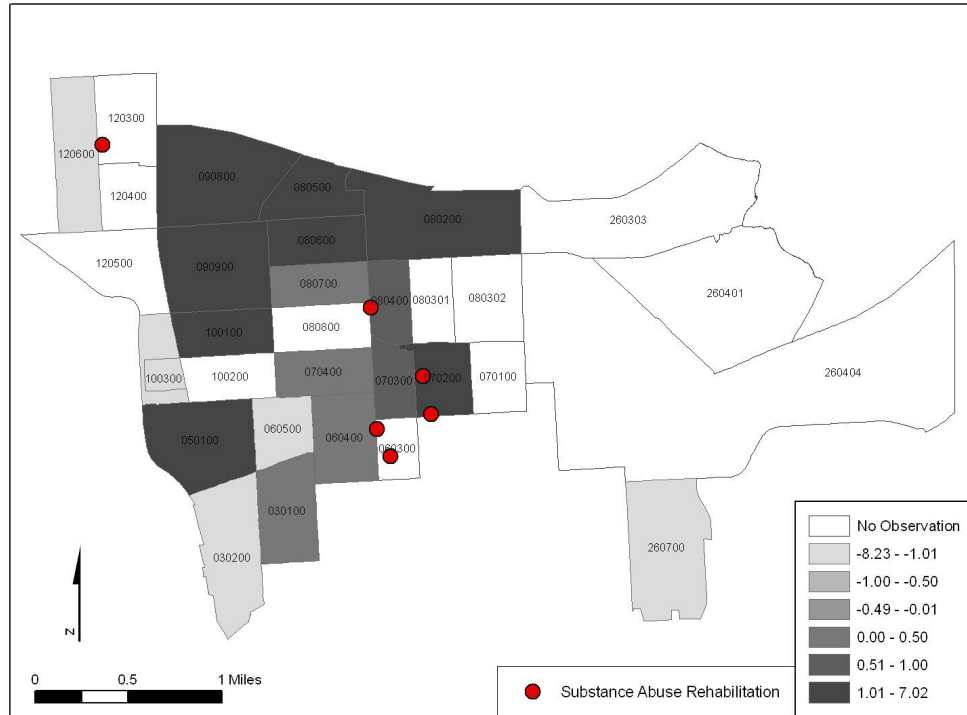












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